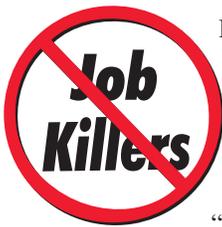


# ALERT

VOLUME 38, NUMBER 15 • MAY 11, 2012



## Legislators Keep Moving ‘Job Killer’ Proposals



Policy committees in both houses of the Legislature have been approving California Chamber of Commerce-**opposed** “job killer” proposals

in recent weeks while rejecting job creator bills.

Just this week, the Senate Judiciary Committee approved legislation inflating litigation and insurance costs, **SB 1528 (Steinberg; D-Sacramento)**, not long after rejecting a bill to protect employers from inappropriate litigation, job creator **SB 1374 (Harman; R-Huntington Beach)**.

Other “job killers” have been sent to the suspense files of the Assembly or Senate Appropriations committees

pending a review of their fiscal impact. The CalChamber will be urging legislators to keep those “job killers” on the suspense file to prevent the damage they would do to California’s still-struggling economy.

In light of the state Controller’s report this week that state tax receipts were 20% below projections in April, an improving economy remains a critical piece of any solution to California’s budget woes.

The Governor’s updated budget plan is expected to be released on May 14.

### Senate Judiciary Action

SB 1528 proposes to establish a new framework for calculating damages in personal injury actions, allowing an injured party to recover expenses never

*See Legislators: Page 6*

## ‘Job Killer’ Bills Holding on Assembly Appropriations Suspense File



Several California Chamber of Commerce-**opposed** “job killer” bills have been referred to the Assembly Appropriations

Committee suspense file

in recent weeks pending reviews of the bills’ fiscal impact.

Awaiting action by Assembly Appropriations are:

- **AB 1439 (Alejo; D-Salinas)**, an automatic minimum wage increase;
- **AB 1450 (Allen; D-Santa Rosa)**, expanding discrimination litigation;
- **AB 2039 (Swanson; D-Alameda)**, expanding protected leave requirements for California employers.

### Automatic Wage Hike

AB 1439 increases the cost of doing business for employers in California by annually indexing upwards the minimum wage rate according to the percentage of inflation specified in the California Consumer Price Index, and similarly, will increase pressure on the General Fund as well.

Although not identical, AB 1439 is similar to AB 10 (Alejo; D-Salinas) from 2011, as it will increase the minimum wage for all employees in California, including state employees.

*See ‘Job Killer’: Page 5*

## CAJobKillers.com Offers Updates, Contribution Link

**CAJobKillers.com** is the new website of the California Chamber of Commerce, designed to serve as a clearinghouse for all information related to bills, regulations and policy makers deemed to be a threat to California’s ability to retain and create jobs.

In addition to updates on the status of “job killer” bills, the website includes news links, videos and a way to make one-time or ongoing contributions to help the campaign to elect more pro-jobs legislators through ChamberPAC.

ChamberPAC is a bipartisan political action committee that makes direct contributions to incumbent office holders and selects candidates who promote and vote for an agenda of private sector job creation.

More information is available at **CAJobKillers.com**.

### Inside

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## Labor Law Corner

# Exempt Employee's Final Pay Based on Percentage of Time Worked



**Dale Louton**  
HR Adviser

*When is the final pay due to a salaried exempt employee who gives a notice of 72 hours or more of intended quit and how do I calculate the ending salary? This employee is paid semi-monthly and depending upon the work load, works five to six days per week.*

Both exempt and nonexempt employees who give at least 72 hours of intended quit are required by Labor Code Section 202 to be paid on the last day of work.

Exempt employees are paid salary, unlike nonexempt employees, who normally are paid by the hour and calculation of final pay is different.

### Calculating Final Pay

A salaried employee is paid for all the time he/she is employed. Labor Code Section 551, however, provides one day of rest in seven for all employees.

Consequently, the salary is not based upon the number of days the exempt employee works, but upon the percentage of the time in the month that the worker is employed.

The salary paid is assumed to cover all time employed. Thus an employee who is employed for three days of a 30-day month is entitled to one-tenth of the monthly salary.

### Percentage of Time

Please note that the basis for the payment is not the number of days the employee actually works, but the percentage of the time within the month that the employee is employed.

You can determine what is due to your exiting employee by following the above principles using the total days in the current month and the total time employed in that month.

This is a suggested and equitable way of determining final pay due to an exempt employee, but not necessarily the only way. Your labor and employment attorney may advise you differently.

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

### Labor Law

Pregnancy Disability Leave and Baby Bonding Webinar. CalChamber. May 17. (800) 331-8877.

Paid or Unpaid—Leaves of Absence for California Employees Webinar. CalChamber. June 21. (800) 331-8877.

Hiring and Onboarding Basics Webinar. CalChamber. July 19. (800) 331-8877.

Conducting Effective Performance

Appraisals Webinar. CalChamber. August 16. (800) 331-8877.  
Employee Discipline Webinar. CalChamber. September 20. (800) 331-8877.

### Business Resources

YBITS 2 Bidder's Conference/Outreach & Networking. Caltrans. June 14, San Francisco. (510) 286-0974.

### International Trade

Webinar: Taking Advantage of NAFTA. U.S. Department of Commerce. May 16. (202) 482-4422.

Consular Corps Luncheon. Northern

*See CalChamber-Sponsored: Page 4*

## CalChamber Calendar

### International Forum:

May 21, Sacramento

### Water Resources Committee:

May 21, Sacramento

### Host Reception/Host Breakfast:

May 21–22, Sacramento

### Board of Directors:

May 21–22, Sacramento

### CalChamber Fundraising Committee:

May 22, Sacramento

### Environmental Regulation Committee:

May 22, Sacramento

Labor law answers  
online [HRCalifornia.com](http://HRCalifornia.com)



# Trade Statistics Show Continuing Growth



**Susan Corrales-Diaz**

As we approach the middle of May, the nationally observed World Trade Week, it is clear that international trade is a continuing bright spot in

the economic landscape, with export markets providing advantages for both California and the United States. This spring, California marked its 29th month of year-over-year growth.

In 2011, California exports totaled \$159 billion, according to the U.S. Department of Commerce. This was an increase from \$143 billion in 2010. California maintained its perennial position as a top exporting state, exporting to 227 foreign markets.

Exports from California accounted for nearly 11% of total U.S. exports, with Mexico, Canada, China, Japan and South Korea being the state's top trading partners.

## Trade Pacts Key

Because roughly 95 percent of the potential customers for U.S. goods and services live outside our borders, increasing exports will generate critical economic growth. Increased market access achieved through trade agreements has played a major role in the nation's success as the world's leading exporter.

Agreements like the Trans-Pacific Partnership, a multilateral agreement currently being negotiated, ensure that the United States may continue to gain access to world markets, which will result in an improved economy and

additional employment of Americans.

All trade agreements are critical elements of the U.S. strategy to liberalize trade through multilateral, regional and bilateral initiatives. Passage of free trade agreements means the elimination of billions of dollars in tariffs for U.S. exports, as well as increased market visibility and benefits to California and the United States as a whole.

A major step in advancing trade came last year with the signing of the California Chamber of Commerce-supported free trade agreements with South Korea, Colombia and Panama. The U.S.-Korea Free Trade Agreement entered into force on March 15. It is expected to increase U.S. exports by approximately \$11 billion and support tens of thousands of U.S. jobs.

## Commentary

By Susan Corrales-Diaz

## U.S. Exports on Track

Two years after President Barack Obama signed an executive order instructing the federal government to increase export promotion over a five-year period, the White House reports the nation is "on pace to meet the President's goal. Exports are up nearly 34% over the level of exports in 2009, exceeding \$2.1 trillion in total value in 2011." The President's National Export Initiative aimed to double U.S. exports and support 2 million new jobs.

Between 2009 and 2011, U.S. jobs supported by exports increased by 1.2 million, according to the U.S. Department of Commerce. Building on strong growth in 2010, exports supported approximately 9.7 million jobs in 2011.

World Trade Week is a national observance, traditionally held the third week of May. It began in California more than 85 years ago.



## Global Competitiveness

America's standing as a world leader depends directly upon our competitive success in the global economy. For more than a half century, the United States has led the world in breaking down barriers to trade and in creating a fairer and freer international trading system based on market economics and the rule of law.

In keeping with this history and long-standing policy, the CalChamber supports expansion of international trade and investment, fair and equitable market access for California products abroad, and elimination of disincentives that impede the international competitiveness of California business.

*Susan Corrales-Diaz, chair of the CalChamber Council for International Trade, is president of Systems Integrated in Orange.*

[www.calchamber.com/international](http://www.calchamber.com/international)

- FAQs
- Trade issue updates
- Statistics on leading markets
- Links to research markets, buyers, suppliers

## CalChamber Positions on June Ballot Propositions

Proposition	Subject	Position
Proposition 28	Limits on Legislators' Terms in Office	Support
Proposition 29	Additional Tax on Cigarettes for Cancer Research	Oppose

## Bill Providing Regulatory Certainty Passes Senate Committee



A California Chamber of Commerce-supported job creator bill that provides

certainty for business by creating a predictable and easy-to-track implementation schedule for new regulations passed the Senate Appropriations Committee this week.

**SB 1099 (Wright; D-Inglewood)** provides that all regulations must go into effect quarterly on January 1, April 1, July 1 or October 1, while still allowing for the adoption of emergency regulations when necessary.

In addition, the bill would require the Office of Administrative Law to make available on its website a list of proposed

regulations awaiting implementation.

This legislation is consistent with the goals of the CalChamber 2012 Renew Agenda and will help position California for economic recovery.

Each year, state agencies draft and implement numerous regulations that go into effect 30 days after being filed with the office of the Secretary of State. Keeping track of these regulations throughout the year presents a difficult challenge for California businesses, especially small businesses that employ small staffs and have limited resources. The current regulatory process often results in businesses being out of compliance and administrative penalties being levied.

SB 1099 addresses this issue by creating a single, reliable source for businesses to access and learn about any

pending regulations. Additionally, the bill increases certainty for businesses by allowing them to predict and prepare for when pending regulations could take effect. SB 1099 increases transparency and is a step in the right direction.

### Key Vote

SB 1099 passed Senate Appropriations on May 7 on a vote of 6-0.

**Ayes: Alquist (D-Santa Clara), Dutton (R-Rancho Cucamonga), Kehoe (D-San Diego), Steinberg (D-Sacramento), Price (D-Los Angeles), Walters (R-Laguna Niguel).**

Absent/abstaining/not voting: Lieu (D-Torrance).

The bill now moves on for consideration by the entire Senate.

**Staff Contact: Marc Burgat**

## CalChamber-Sponsored Seminars/Trade Shows

### From Page 2

- California World Trade Center. May 22, Davis. (916) 312-9146.
- Webinar: Understanding Export Controls. U.S. Department of Commerce. May 23. (202) 482-4422.
- Webinar: Protect Your Intellectual Property Abroad. U.S. Department of Commerce. May 24. (202) 482-4422.
- Webinar: Certificates of Origin, Free Training Agreements, eCertification. U.S. Department of Commerce. May 30. (202) 482-4422.
- California Ag Trade Mission to China/South Korea. Fresno Center for International Trade Development. June 9-16, China and South Korea. (559) 324-6401.
- Webinar: Financing Your Exports and Getting Paid. U.S. Department of Commerce. June 13. (202) 482-4422.
- U.S.-Africa Infrastructure Conference. Corporate Council on Africa. June 18-20, Washington, D.C. (202) 835-1115.
- Webinar: Temporary Exports. U.S. Department of Commerce. June 27. (202) 482-4422.
- California Pavilion at Chile-Expo Hospital 2012. Los Angeles Area Chamber of Commerce and CalChamber. June 27-29, Santiago, Chile. (213) 580-7570.
- Food Taipei 2012. Taiwan Trade Center, San Francisco. June 27-30, Taiwan. (408) 988-5018.
- 2012 India Trade Conference. Port of Los Angeles, U.S. Commercial Service, Quanta Consulting. June 28, Cerritos. (949) 480-9466.
- California Pavilion at Farnborough 2012. U.S. Department of Commerce. July 9-15, Farnborough, England. (949) 660-7105.
- Intersolar-North America. Northern California Regional Center for International Trade Development. July 10-12, San Francisco. (916) 563-3222.
- Webinar: Satisfying International Product Certification. U.S. Department of Commerce. July 11. (202) 482-4422.
- Webinar: Website Optimization. U.S. Department of Commerce. July 25. (202) 482-3787.
- Webinar: New INCO Terms. U.S. Department of Commerce. August 8. (202) 482-4422.
- Hong Kong Food Expo. Hong Kong Trade Development Council. August 16-20, Hong Kong, China. (310) 973-3175.
- CA Cleantech Company Trade Mission to China. El Camino College Center for International Trade Development (CITD). August 20-September 2, China. (310) 973-3161.
- Green Construction Trade Mission to Brazil. Bay Area CITD. September 9-15, São Paulo and Rio de Janeiro, Brazil.
- Expolimentaria 2012. Exporters Association, Ministry of Agriculture, Ministry of External Relations, and Prom Peru. September 19-21, Lima, Peru.

Visit [www.calchamber.com](http://www.calchamber.com) for products and services to help you do business in California.

# Job Creator Bills Fail to Pass Committees



Job creator bills sponsored or supported by the California Chamber of

Commerce failed to move out of Senate policy committees this week.

CalChamber-sponsored SB 1374 (Harman; R-Huntington Beach) would have protected employers from inappropriate litigation by affirming they can rely upon the state government to provide them with information regarding how to comply with the law.

CalChamber-supported SB 1115 (Dutton; R-Rancho Cucamonga) would have alleviated the burden of unnecessary regulations by allowing an employer with 10 or fewer employees to implement an alternative workweek schedule at the request of the employees.

## State Agencies' Advice

California has more than 500 agencies responsible for interpreting and enforcing laws. Californians are expected and encouraged to seek guidance and information from these agencies to determine how to comply with the state's numerous laws and regulations.

Currently, if an individual or business seeks guidance from one of the state's more than 500 agencies responsible



Photo by Megan Wood

CalChamber Policy Advocate Jennifer Barrera explains benefits of CalChamber-sponsored job creator SB 1374 by Senator Tom Harman (at podium) at the Senate Judiciary Committee hearing on May 8.

for interpreting and enforcing laws, the individual or business is given no protection or benefit if litigation is filed to challenge the agency's advice.

SB 1374 would have eliminated this problem and provided Californians the security to know that if they seek out and receive written advice from state agencies regarding how to comply with the law, they can rely upon that information.

## Key Vote

SB 1374 failed to pass the Senate Judiciary Committee on May 8, 2-3.

**Ayes:** Blakeslee (R-San Luis Obispo), Harman (R-Huntington Beach).

**Noes:** Corbett (D-San Leandro), Evans (D-Santa Rosa), Leno (D-San Francisco).

## Workplace Flexibility

California 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 1115 would have relieved small employers with 10 employees or fewer from the administrative cost and burden of adopting an alternative workweek schedule.

## Key Vote

After failing to pass Senate Labor and Industrial Relations, 1-3, on April 11, SB 1115 failed again on May 9, 0-4.

**Noes:** DeSaulnier (D-Concord), Leno (D-San Francisco), Lieu (D-Torrance), Padilla (D-Pacoima).

**No vote recorded:** Runner (R-Antelope Valley), Wyland (R-Escondido), Yee (D-San Francisco).

**Staff Contact:** Jennifer Barrera

# 'Job Killer' Bills Holding on Assembly Appropriations Suspense File

From Page 1

This increased cost of doing business could also discourage new businesses from locating to California and encourage existing businesses to relocate elsewhere.

California already has one of the highest corporate tax rates, personal income tax rates, and sales tax rate. Current state ballot initiatives may make these rates even higher at the same time AB 1439 seeks to increase the minimum wage. The cumulative impact of all of these costs of doing business, including the annual increase to the minimum wage, will likely encourage businesses to invest in other states instead of investing in California.

## Discrimination Litigation

AB 1450 subjects employers to charges of discrimination for legitimately inquiring into an applicant's employment history.

It essentially prohibits employers from legitimately inquiring into an applicant's employment history due to fear that any such inquiry will ultimately lead to penalties and costs on the basis that the applicant was discriminated against because of his/her status as unemployed.

The bill also unfairly targets state contractors by imposing a three-year debarment from state contracts if found to have violated the provisions of the bill, thus essentially providing a hiring

preference for the unemployed with state contractors.

AB 1450 prohibits employers from considering an applicant's current "employment status" when hiring for an available position, unless such status satisfies a "bona fide occupational" requirement. Although the bill states it does not prohibit an employer from reviewing the applicant's employment status or the reasons for any separation from employment, AB 1450 will essentially do just that.

Moreover, AB 1450 does not differentiate between applicants who are unemployed due to their inadequate or

See 'Job Killer': Page 7

## Legislators Keep Moving ‘Job Killer’ Proposals



From Page 1

actually incurred. While the details of the framework have yet to be filled in by the author, the CalChamber opposes any attempt to change

how medical damages are calculated that conflicts with the California Supreme Court decision in *Howell v. Hamilton Meats & Provisions, Inc.*, which is the stated goal of the bill sponsor.

Compensatory damages in personal injury cases serve to make a plaintiff whole, or to compensate him/her for losses actually incurred. When the loss at issue is the cost of medical care received by the plaintiff, it is well settled under California law that a plaintiff may recover “no more than the amounts paid by the plaintiff or his or her insurer for the medical services received or still owing at the time of the trial” (*Howell v. Hamilton Meats*).

The bill seeks to upend traditional compensatory damages, allowing plaintiffs and their attorneys to use the higher billable amount—which in some cases can be many times higher than the amount actually paid. These higher damages will artificially inflate both the amount of damages in the case and the “settlement value.” Many times, cases are “worth” three times the amount of compensatory damages.

By allowing injured plaintiffs to recover more than the medical costs they’ve actually paid, SB 1528 will result in an unfair windfall to plaintiffs, inflate litigation costs, encourage the filing of more lawsuits, and dramatically increase rates for automobile, workers’ compensation and general liability insurance, harming individuals and employers alike.

This bill also will impose significantly higher costs for employers and consumers already struggling in a weak economy.

### Key Vote

Senate Judiciary approved SB 1528 on May 8 by a vote of 3-2:

Ayes: Corbett (D-San Leandro), Evans (D-Santa Rosa), Leno (D-San Francisco).

Noes: Blakeslee (R-San Luis Obispo), Harman (R-Huntington Beach).

### Assembly Judiciary Action

“Job killer” bills that expand discrimination litigation and allow inappropriate wage liens have moved from the Assembly Judiciary Committee.

● **AB 1999 (Brownley; D-Santa Monica)** makes it virtually impossible for employers to manage their employees and exposes them to a higher risk of litigation by expanding the Fair Employment and Housing Act (FEHA) to include a protected classification for any person who is, who will be, or who is perceived as a family caregiver.

Extending employment protections to individuals simply on the basis that they provide “medical” care for a family member or “supervise” the care a family member receives, will burden employers and subject them to costly litigation.

There were approximately 19,500 discrimination claims filed in 2010 with the state Department of Fair Employment and Housing under FEHA, which was 1,000 complaints more than in 2009.

Adding this new expansive classification to FEHA will only cause such cases to increase dramatically, placing California employers at a significant disadvantage.

● **AB 2517 (Eng (D-Monterey Park))** creates a dangerous and unfair precedent in the wage and hour arena by allowing employees in the car washing industry to file liens on an employer’s real property or any property where work was performed, based on an alleged but unproven wage claim.

California has some of the most onerous wage and hour laws in the country. Even the Labor Commissioner, charged with interpreting and enforcing wage and hour laws, disagrees with courts regarding the proper application of California law in this area.

Nevertheless, AB 2517 would allow

any employee, employee representative, or the Labor Commissioner to file a lien against an employer’s real property or personal property simply on the basis that the employee believes he/she has a valid wage claim against the employer.

At the time of filing the lien, the employee would have no burden to provide any actual evidence that the employer violated any wage and hour law. Rather, all the employee would have to do is simply provide: (1) a demand statement of the alleged amount owed; (2) employer’s name; (3) description of the property; and (4) the employee’s address.

This lien could be applied for single employee wage claims that amount to several hundred dollars in damages and/or class action and representative wage claims that allege millions of dollars in damages.

Employees should not be allowed to interfere with an employer’s business or property, or someone else’s real property where work was performed, through filing a lien of such significance without first proving the merit of their allegations. To allow otherwise will basically subject employers to constant extortion in order to avoid dealing with a lien on their property.

### Key Votes

Both AB 1999 and AB 2517 passed Assembly Judiciary on April 24 by votes of 6-3.

Ayes: Alejo (D-Salinas), Atkins (D-South Park/Golden Hill), Dickinson (D-Sacramento), Feuer (D-Los Angeles), Monning (D-Carmel), Wieckowski (D-Fremont).

Noes: Gorell (R-Camarillo), Jones (R-Santee), Wagner (R-Irvine).

Absent/abstaining/not voting: Huber (D-El Dorado Hills).

### More Information

More information on the status of the “job killers” is available at [CAJobKillers.com](http://CAJobKillers.com).

Staff Contact: Marc Burgat

They won’t know unless you tell them. Write your legislator.  
[calchambervotes.com](http://calchambervotes.com)

## 23 Local Chambers Receive CalChamber 2012 President's Circle Award

The California Chamber of Commerce has recognized 23 local chambers of commerce with the President's Circle award. The award, first presented in 2009, recognizes chambers for excellence in business advocacy and helping their members comply with California employment laws.

The 2012 recipients of the President's Circle award are as follows:

- Greater Bakersfield Chamber: Debbie Moreno, president/CEO;
- Greater Conejo Valley Chamber: Jill Lederer, president/CEO;
- Greater Corona Valley Chamber: Bobby Spiegel, president/CEO;
- Culver City Chamber: Steven Rose, president/CEO;
- El Centro Chamber and Visitors Bureau: Vicki Zamora, office manager;
- Greater Fresno Area Chamber: Al Smith, president/CEO;
- Fullerton Chamber: Theresa Harvey, executive director;
- Garden Grove Chamber: Jeremy Harris, president/CEO;
- Lake Elsinore Valley Chamber: Kim Cousins, president/CEO;



- Long Beach Area Chamber: Randy Gordon, president/CEO;
- Murrieta Chamber: Patrick Ellis, president/CEO;
- Napa Chamber: Chris Messina, president/CEO;
- Orange Chamber: Heidi Larkin-Reed, president/CEO;
- Oxnard Chamber: Nancy Lindholm, president/CEO;
- Palm Desert Area Chamber: Barbara deBoom, president/CEO;
- Porterville Chamber: Donnette Silva Carter, president/CEO;

- Greater Redding Chamber: Frank J. Strazzarino, Jr., president/CEO;
- Greater Riverside Chambers: Cindy Roth, president/CEO;
- Greater San Fernando Valley Chamber: Nancy Hoffman Vanyek, CEO;
- San Rafael Chamber: Rick Wells, president/CEO;
- Santa Clara Chamber and Convention-Visitors Bureau: Steve Van Dorn, president/CEO;
- Simi Valley Chamber and Visitors Center: Leigh Nixon, president/CEO; and
- Turlock Chamber: Sharon Silva, president/CEO.

President's Circle award recipients published vote records of their state legislators on key business issues, generated letters to state elected officials on issues of interest to members and participated in the CalChamber compliance product resale program at an exemplary level.

In 2011, 21 chambers were presented with a President's Circle award. In 2010, there were 22 award recipients, and in 2009, 13 local chambers received the award.

**Staff Contact: Steve Snyder**

## 'Job Killer' Bills Holding on Assembly Appropriations Suspense File

*From Page 5*

insufficient performance with their most recent employer, versus applicants who were unfortunately a part of a layoff.

An employer should be allowed to investigate the reasons a person is unemployed, including whether the applicant was recently terminated for serious misconduct, before offering that person a job and bringing him/her into the workplace.

Finally, AB 1450 will not affect the unemployment rate. If there is an available position, the employer will ultimately hire someone. The only thing AB 1450 does is inappropriately instruct private employers on who they can and cannot hire. The ability to determine which candidate is the most qualified for an available position is an independent decision that should be left to the employer, not state government.

### Expanded Leave Requirements

AB 2039 (Swanson) creates a burdensome, California-only mandated benefit that significantly expands the

category of individuals with serious health conditions for whom an employee can take a leave of absence beyond what is currently included under the federal Family Medical Leave Act (FMLA). AB 2039 also would create additional pressure on the General Fund.

AB 2039 is identical to AB 59 (Swanson; D-Alameda) that was introduced last year and held in Assembly Appropriations due to the increased pressure it would have placed on the General Fund.

In addition, AB 2039 imposes a significant burden on California employers, expanding the California Family Rights Act (CFRA) by allowing an employee a protected leave to care for adult children, parents-in-law, grandparents and siblings.

The initial intent of CFRA was to provide a balance between an individual's work life and personal life. However, this proposed change would certainly disrupt that balance and have a

negative impact on California employers.

Moreover, the new burden that AB 2039 creates is unnecessary. The proposed category of individuals that AB 2039 seeks to include under the protections of CFRA is generally already protected. A grandparent or stepparent who stands in loco parentis to a child can already take a protected leave of absence under CFRA to care for that child, and vice versa. There is no need to create another exception for the parent-in-law, daughter-in-law or son-in-law to also be able to take leave.

### Action Needed

These bills will be considered by Assembly Appropriations at the committee's next hearing and may be voted off the suspense file and sent to the full Assembly for a vote.

Contact your Assembly representatives and members of Assembly Appropriations and urge them to **oppose AB 1439, AB 1450 and AB 2039.**

**Staff Contact: Jennifer Barrera**



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(916) 444-6670 FACSIMILE (916) 444-6685  
[www.calchamber.com](http://www.calchamber.com)

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