

ALERT

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Legislation Aims to Improve Access to Skilled Workforce

The California Chamber of Commerce is **supporting** legislation that will improve employers' access to educated and skilled workers.

CalChamber President and CEO Allan Zaremborg announced support for **SB 594 (Steinberg; D-Sacramento)**, the Dropout Reduction and Workforce Development Bond Act of 2013, at a March 19 press conference.

Skilled Workforce

"SB 594 will provide California employers with access to a skilled workforce which is critical for a robust economy," Zaremborg said. "The ability to match up job needs and job skills in local communities will certainly help encourage investment in our state."

The bill will integrate rigorous academic preparation with work-based

learning opportunities in key growing sectors of the state's economy. It will build stronger connections between schools and businesses by providing skilled workers in high-demand technical fields, which include biotechnology, nursing, and advanced manufacturing.

Financing Tools

The measure calls for the following three new financing tools to encourage the development of business-school partnerships in career pathways programs:

- Workforce Development Bonds;
- Career Pathways Investment Tax Credits; and
- Linked Learning Trust Funds.

SB 594 awaits a hearing in the Senate Governance and Finance Committee.

Staff Contact: Amy Mmagu

CalChamber Supports Bill to Reduce Delays in Processing Business Filings



A California Chamber of Commerce-**supported** bill that seeks to immediately reduce delays for the Secretary of State to process business filings passed the Assembly this week.

SUPPORT

AB 113 (Committee on Budget) would provide a \$2 million appropriation increase in the current year for the Secretary of State to immediately expedite processing times for its backlog of documents through the use of overtime and temporary workers.

"AB 113 sends a good message that our Legislature is resolving barriers to business formation," said CalChamber President and CEO Allan Zaremborg. He pointed out that to keep the state's economy on the road to recovery, "it makes sense to focus efforts on the thousands of businesses that want to grow and expand in California."

"We look forward to working with the Speaker to ensure that the backlog is eliminated and a system is put into place for timely processing of these documents."

See CalChamber Supports Bill: Page 5



Photo by Megan Wood

CalChamber President and CEO Allan Zaremborg supports legislation to improve employer access to skilled workers at a State Capitol news conference. Second from left is Senate President Pro Tem Darrell Steinberg (D-Sacramento), author of the bill, SB 594.

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Labor Law Corner

Don't Delay Pay If Employee Misses Deadline for Submitting Timesheet



Barbara Wilber
HR Adviser

When employees do not submit their time record by the deadline or fail to sign their time record, may we delay payment until the next regular payday?

No. The temptation is to discipline the employee by withholding pay; however, it is not a legally acceptable solution.

Labor Code Section 204 requires employers to pay all wages earned in the current pay period on the designated payday. The only exception to this

requirement is unscheduled overtime wages, which may be deferred to the next regular payday.

Time Record Requirements

The time record requirements appear in both the Labor Code and Industrial Welfare Commission (IWC) orders, which state in part:

"A. Every employer shall keep accurate information with respect to each employee including the following:

"1. Full name, home address, occupation and Social Security number.

"2. Birthdate, if under 18 years, and designation as a minor.

"3. Time records showing when the employee begins and ends each work period. Meal periods, split shift intervals and total daily hours worked shall be recorded. Meal periods during which operations cease and authorized rest periods need not be recorded."

Pay Wages on Payday

Even though the employer delegates the timekeeping requirements to the employee, it remains the obligation of the employer to meet the requirements and pay all wages on the established payday. Failure by the employee to complete the time record does not alter the underlying legal requirement.

Motivating employees to comply with the company timekeeping rules is the goal. In an effort to resolve the problem, some companies choose to discipline

employees for non-compliance with company policies.

Nevertheless, discipline is not always a satisfactory resolution. This is especially true if you value a particular employee and do not wish to risk the employment relationship.

Timekeeping Strategy

To ensure that wages are paid, plan a strategy. For example, you may require supervisors to record hours worked and submit time records. Another avenue is direct contact with the employee through emails or phone calls to obtain an oral record of hours.

Of course, these methods are labor intensive, so it may be simpler to estimate wages based on the employee's regular schedule.

Employers ask why employees disregard the timekeeping policies and risk late payment or inaccurate payment of their own wages. It is hard to answer this question, and equally hard to provide a resolution.

Employee disregard for completing time records seems contrary to common sense, but is an ongoing and widespread problem. Each of the suggested resolutions has its drawbacks, but a combination of methods may work for you.

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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Home page: www.calchamber.com.*

CalChamber-Sponsored Seminars/Trade Shows

More information: calchamber.com/events.

Labor Law

HR Boot Camp Seminar. CalChamber.
April 10, Bakersfield; May 8, Sacramento; June 6, Santa Clara.
(800) 331-8877.

HR Strategies Webinars. CalChamber.

April 18: Managing Your Workplace;
May 16: Flexible Work Options; June 20: Multigenerational Workforce Challenge. (800) 331-8877.

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CalChamber Calendar

*Legislative Briefing and Sacramento Host Breakfast:
May 21–22, Sacramento
calchamber.com/2013briefing-hostb*

**Next Alert:
April 5**



Taxpayers Retain Ability to Pursue Claims



OPPOSE

In a victory for the California Chamber of Commerce and other employer groups, an Assembly budget subcommittee has rejected a proposal that would have

limited the opportunity for taxpayers to pursue valid claims before the state Board of Equalization (BOE) and Franchise Tax Board (FTB).

Current state law provides for the winner of a lawsuit to be awarded reasonable attorney's fees when the litigation "has resulted in the enforcement of an important right affecting the public interest."

The rejected budget change proposal tried to prevent the prevailing party in tax-related cases from obtaining reasonable litigation costs, including attorney's fees.

The proposal also would have imposed a cap on attorney's fees at an hourly rate significantly lower than what most tax practitioners charge.

The CalChamber and other business groups opposed the budget change proposal, noting in a letter that even if a taxpayer ultimately prevailed in challenging an unfair or unconstitutional

tax, the proposal would have limited the taxpayer's ability to recover costs and fees incurred.

Smaller businesses in particular would have been placed at a significant

disadvantage and discouraged from obtaining relief from invalid taxes or defending themselves against the BOE and FTB, the CalChamber said.

Staff Contact: Jennifer Barrera

Assembly Tax Committee Chair Discusses Business Issues at CalChamber Luncheon



Photo by Megan Wood

Assemblyman Raul Bocanegra (D-Pacoima), chair of the Assembly Revenue and Taxation Committee, among other topics discussed at the CalChamber Lunchtime Tax Roundtable on March 14, says he plans to hold informational hearings on the wide range of tax issues affecting California businesses. From left are CalChamber President and CEO Allan Zaremberg; Bocanegra; Ben Golombek, chief of staff to the Assembly member; and CalChamber Policy Advocate Jeremy Merz.

CalChamber-Sponsored Seminars/Trade Shows

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Leaves of Absence: Making Sense of It All. CalChamber. May 9, Sacramento. (800) 331-8877.

California Employers and Workplace Privacy Webinar. CalChamber. July 18.

Business Resources

Small Business Seminar. California State Board of Equalization. April 4: Long Beach. (888) 847-9652.

Beverly Hills Tomorrow. Beverly Hills Chamber of Commerce. April 9, Beverly Hills. (310) 248-1000.

Responsible Sourcing Summit. UL. April 17-18, Santa Monica. (310) 215-0554.

Innovation Economy Expo. Innovation Economy Konnect, Inc. May 9, Ontario. (310) 613-4131.

International Trade

Asia Pacific Business Outlook. U.S.

Commercial Service. April 8-9, Los Angeles. (213) 740-7130.

Hannover Messe 2013: Integrated Industry. Deutsche Messe. April 8-12, Hannover, Germany.

China Import/Export Fair (Canton Fair). Consulate General of the People's Republic of China. April 15-May 5, Guangzhou, China. (415) 852-5972.

8th World Chambers Congress. International Chambers of Commerce World Chambers Federation. April 22-25, Doha, Qatar. (331) 495-3296.

China-U.S. Business Summit 2013. China-U.S. Business Summit Committee. April 28-30, Los Angeles. (562) 437-8885.

World Trade Week Kickoff Breakfast. Los Angeles Area Chamber. May 2, Los Angeles. (213) 580-7569.

China International Technology Fair. Shanghai International Technology Exchange Center. May 8-11, Shanghai, China.

Emerging Markets and the Global Economy. Los Angeles County Economic Development Corporation. May 15, Long Beach. (213) 236-4812.

Consular Corps Luncheon. Northern California World Trade Center. May 22, Sacramento. (916) 319-4274.

2013 USC Global Conference. University of Southern California. May 23-25, Seoul, Korea. (323) 442-2830.

The Brazil, Russia, India, China and South Africa (BRICS) Countries Conference. Monterey Bay International Trade Association. May 24, Monterey. (831) 335-4780.

CalChamber Spotlights Need for State Environmental Law Reform

The need to reform the California Environmental Quality Act (CEQA) to prevent abuses was highlighted on a public affairs show this week by California Chamber of Commerce President and CEO Allan Zaremberg.

In a March 17 airing of “The Maddy Report,” Zaremberg pointed out that CEQA is “used for many purposes... that have nothing to do with the environment.”

One of the abuses he cited is filing a lawsuit in an attempt to stop projects that promote economic development and jobs.

Since CEQA was approved by the California Legislature in 1970, Zaremberg noted, dozens of new environmental laws have

been enacted. The more recent requirements include standards to limit greenhouse gas emissions, land use

planning measures and air quality requirements.

If a project complies with the standards set by these laws and has relied on the government’s standards, why should it still be subject to litigation, Zaremberg asked.

“When you get sued on that, those people aren’t trying to change the environmental rules; they’re just trying to stop the project.”

The CalChamber agrees with the basic goals of CEQA. Requiring consideration of the environment in the planning process makes sense and is key to ensuring the state grows in an environmentally responsible manner.



CalChamber President and CEO Allan Zaremberg explains the need for reform of the California Environmental Quality Act on a recent edition of “The Maddy Report,” a weekly public affairs television program.

Author of Troubling Record Inspection Bill Agrees to Work with Employers

Opposition from the California Chamber of Commerce and a coalition of employer organizations gained a commitment from the author on March 20 to try to work out problems with his bill regarding inspection of payroll records.

In its current form, **AB 155 (Alejo; D-Salinas)**, creates an unsafe work environment and unfair requirement on employers to allow former employees who have been terminated for misconduct to enter the employers’ premises for purposes of inspecting payroll records.

In a letter to the author and the Assembly Labor and Employment Committee, the CalChamber and coalition said they oppose AB 155 because it potentially places employers in an untenable position of either allowing an unsafe work condition or facing

penalties and civil litigation under the Labor Code Private Attorney General Act (PAGA) for denying a former employee the right to inspect payroll records.

Specifically, AB 155 mandates that it is within the employee’s discretion as to whether the employee receives a copy of his/her payroll records, inspects the payroll records on the employer’s premises, or both.

This mandate is especially problematic with regard to former employees who have been terminated for such acts as physical assault or harassment.

According to AB 155, such an employee could demand to come onto the employer’s premises and inspect records, thereby creating a potential unsafe work environment for current employees and patrons.

There is no evidence of a widespread problem with employees obtaining accurate copies of their payroll records or, when appropriate, the right to inspect such records. Rather, the impetus for this bill appears to be an isolated incident.

Key Vote

Following the author committing to trying to work out a solution, AB 155 passed Assembly Labor and Employment by the following vote:

Ayes: Alejo (D-Salinas), Chau (D-Alhambra), Gomez (D-Los Angeles), Hernández (D-West Covina),

Absent/abstaining/not voting: Gorell (R-Camarillo), Morrell (R-Rancho Cucamonga), Holden (D-Pasadena).

Staff Contact: Jennifer Barrera

An advertisement for a legislative briefing and host breakfast. The background is a blue banner with a white image of the California State Capitol building on the left. The text on the right is white and includes the following information:

Register today at calchamber.com/2013briefing-hostb 

MAY 21-22, 2013

LEGISLATIVE BRIEFING & SACRAMENTO HOST BREAKFAST

California Shale Reserves Hold Potential to Create 2.8 Million Jobs, Study Finds

California's deep-shale reserves hold the potential to create 2.8 million new jobs in the state within five years, according to a study released last week.

The study, conducted by economists from the University of Southern California and the Communications Institute, examined the potential economic impacts of developing the Monterey Shale Formation, which accounts for approximately two-thirds of the shale-oil reserves in the United States, according to the U.S. Energy Department.

This 1,750 square-mile formation of mostly underground shale rock runs lengthwise through the center of the state, with a major portion in the San Joaquin Basin.

Economic Impact

The study determined that, over the period of 2015–2030, developing the Monterey Shale could:

- Add 512,000 to 2.8 million new jobs in California depending on the year;
- Increase the state's gross domestic product by 2.6% to 14.3% on a per-person basis;
- Increase personal income generated by an average of 2.1% to 10%, depending on the year; and
- Boost government tax revenue by \$4.5 billion to \$24.6 billion, depending on the year.

Extraction Method

Extracting oil and natural gas from the Monterey Shale Formation would require advanced extraction technologies, such as hydraulic fracturing and horizontal drilling.

The study highlights these technologies as key factors in North Dakota's oil boom. The state went from producing 200,000 oil barrels per day in 2008 to more than 750,000 barrels per day in 2012.

Although the purpose of the study was to analyze the economic impacts alone, and not delve into environmental, operational or regulatory implications, the authors named five environmental concerns: potential contamination of water supply, increased seismic activity, land-use challenges, continued reliance on oil, and criteria air pollutants and greenhouse gases.

The authors of the study intend to study these environmental and technological issues, including risks and uncertainties, in a series of follow-on reports.

Bottom Line

The study concludes that "through the prudent and carefully regulated development of the Monterey Shale, the state of California could potentially achieve proportionately large increases in the production of crude oil, leading to similarly large economic gains."

CalChamber Supports Bill to Reduce Delays in Processing Business Filings

From Page 1

To be competitive, California must be able to finalize business filings consistent with what is the standard in other states."

Backlog

Currently, there is a backlog of 122,000

documents and businesses must wait 65 calendar days for their Business Entity documents to be processed. Employers are forced to wait months to hire and finalize their plans for opening a business based on these delays.

Assembly Speaker John A. Pérez

(D-Los Angeles) has indicated that there will be trailer bill language that will require accountability for reaching a five-day turnaround time by November 2013.

Small Business Advocate Award: Nominations Due April 15

The California Chamber of Commerce is seeking nominations for its Small Business Advocate of the Year Award.

Each year, the CalChamber recognizes several small business owners who have done an exceptional job with their local, state and national advocacy efforts on behalf of small businesses.

Application

The application should include information regarding how the nominee has significantly contributed as an outstanding advocate for small business in any of the following ways:

- Held leadership role or worked on statewide ballot measures;
- Testified before state Legislature;
- Held leadership role or worked on local ballot measures;
- Represented chamber before local government;
- Actively involved in federal legislation.

The application also should identify specific issues the nominee has worked on or advocated during the year.

Additional required materials:

- Describe in approximately 300 words why nominee should be selected.

- News articles or other exhibitions as supporting materials.

- Letter of recommendation from local chamber of commerce president or chairman of the board.

Deadline

Award nominations are due to the CalChamber Local Chamber Department by April 15. The nomination form is available on the CalChamber website at www.calchamber.com/smallbusiness or may be requested from the Local Chamber Department at (916) 444-6670.

Legislative Outlook

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

Assembly Committee OKs Diversion of Employer-Paid UI Funds



OPPOSE

A California Chamber of Commerce-**opposed** bill that diverts employer-paid unemployment insurance (UI) taxes to a new program to provide income to individuals seeking to start their own business passed the Assembly Insurance Committee on March 20.

AB 152 (Yamada; D-Davis) seeks to resurrect the Self Employment Assistance (SEA) Program to allow unemployed individuals to collect benefits from the Unemployment Insurance Trust Fund for engaging in undefined “self employment assistance activities” in order to start their own business.

In 1994—the only year in which California operated an SEA program—California’s program yielded no participants successful in starting their own business, but required a significant investment of resources.

The bill lacks necessary controls to prevent fraud and abuse. Self employment assistance activities are not defined

nor are these activities required to be designed to help lead to a successful business.

The bill does not require any particular activity, documentation or verification in order to qualify for the SEA program. Furthermore, the bill waives the requirement to look for work and be available for work. The bill makes it clear that training is not required for program participants and is optional.

Key Vote

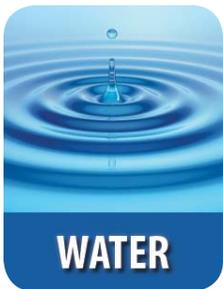
Ayes: Bonilla (D-Concord), Bradford (D-Gardena), Ian Calderon (D-Whittier), Cooley (D-Rancho Cordova), Frazier (D-Oakley), Mitchell (D-Los Angeles), Perea (D-Fresno), Torres (D-Pomona), Wieckowski (D-Fremont).

Noes: Beth Gaines (R-Rocklin), Hagman (R-Chino Hills).

Absent/abstaining/not voting: Nestande (R-Palm Desert), Olsen (R-Modesto).

Staff Contact: Marti Fisher

Opening Chapters of Delta Water Plan Available for Review



A consortium of federal and state agencies has begun releasing the environmental impact documents about a comprehensive solution to California’s chronic water shortage.

The Bay Delta Conservation Plan (BDCP) aims “to achieve the coequal goals of providing a more reliable water supply for California and protecting, restoring and enhancing the Delta ecosystem.”

The Delta is the heart of California’s water supply system, providing drinking water for 25 million people (two-thirds of the state’s population) and irrigation water for millions of acres of crops. Restoring the Delta ecosystem and providing a more reliable water supply is key to resolving the California water puzzle.

The March 20 public meeting on the first four chapters of the environmental impact documents will be followed by a March 27 release of three more sections and an April 4 public meeting. The closing chapters are to be released the week of April 22.

CalChamber Position

The CalChamber supports a comprehensive solution to California’s chronic water shortage. It is vitally important that all Californians have an adequate and reliable source of water while safeguarding the environment. Developing additional water supplies and conveyance facilities can no longer be postponed without subjecting the state to long-term economic damage. One serious earthquake or a series of Delta levee failures could leave millions of people and businesses without a water supply for the foreseeable future.

Staff Contact: Valerie Nera

CalChamber Hosts Consulates General of Canada in California

The California Chamber of Commerce hosted the Consulates General of Canada, Consul General Cassie Doyle of San Francisco and Consul General David Fransen of Los Angeles, on March 13, for the 7th annual celebration of Canada Day at the State Capitol.

In addition, an interactive business panel discussion held at the CalChamber office explored why Canada matters to California's future prosperity and economic growth.

The panel moderator was Toni E. Symonds, chief consultant to the California Assembly Jobs, Economic Development and the Economy Committee. Panelists included: Erin McGillis, Achievers; Graham Ray, DeepRoot Green Infrastructure, LLC, and Jonathan Allen, Avison Young.

U.S.-Canada Trade

Canada is the United States' largest trading partner and more than 1 million jobs in California depend on trade with Canada, according to the Canadian Consul General's San Francisco office.

Canada has remained California's second largest export market since 2006, with total 2012 exports valued at \$17.3 billion—11% of all California exports.

In 2012, two-way trade between Canada and the United States topped \$615 billion. Exports to Canada were approximately \$292 billion, making it the largest U.S. trading partner.

In 2011, President Barack Obama and Prime Minister Stephen Harper announced the creation of a U.S.-Canada Regulatory Cooperation Council (RCC) and Beyond the Border (BTB) initiatives. In recognition of the \$1 trillion annual trade and investment relationship, the RCC and BTB will foster formal cooperation between the United States and Canada to promote economic growth, job creation, perimeter security and other benefits to consumers and businesses through increased regulatory transparency and coordination.

Trans-Pacific Partnership

On November 12, 2011, the leaders of the nine Trans-Pacific Partnership countries—Australia, Brunei Darussalam, Chile, Malaysia, New Zealand, Peru, Singapore, Vietnam, and the United States—announced the achievement of the broad outlines of an ambitious,

21st-century Trans-Pacific Partnership (TPP) agreement that will enhance trade and investment among the TPP partner countries, promote innovation, economic growth and development, and support the creation and retention of jobs.

Since then, Canada and Mexico have joined the TPP negotiations, and Japan has stated its intent to join, of which the CalChamber is supportive.

This "Canada Day" allows both the government and private sector to focus on the increasingly important relationship

between California and Canada. The two entities are partners in many areas, ranging from commerce and trade to tourism.

More Information

For more information about California-Canada trade, check out the Trading Partner Portal in the international section of the CalChamber website at www.calchamber.com/Canada.

Staff Contact: Susanne Stirling



Consul General Cassie Doyle kicks off a panel discussion on Canada's prominent role in California's economic prosperity by (from left) Erin McGillis, Graham Ray, panel moderator Toni E. Symonds and Jonathan Allen.



Photos by Megan Wood

(From left) Susanne Stirling, CalChamber vice president international affairs; Consul General Cassie Doyle of San Francisco; Consul General David Fransen of Los Angeles; and Constable Deanna Alford, Royal Canadian Mounted Police (RCMP).

Protect your business and employees.



California companies with 50 or more employees are required to provide two hours of sexual harassment prevention training to all supervisors **within six months of hire or promotion**, and every two years thereafter. CalChamber's online supervisor course meets AB 1825 training requirements and helps your company avoid work situations that put you at risk for costly lawsuits. Regardless of company size, we recommend training for all supervisors and employees. Learners start and stop anytime because the system tracks their progress.



Get a certificate for a **free 1-lb. box of See's Candies®** when you buy \$100 or more of California Harassment Prevention training seats.

Use priority code HPTSE2. Preferred and Executive members receive their 20% member discount in addition to this offer. Offer ends 4/30/13.



Online harassment prevention training in English or Spanish features videos covering realistic scenarios.

ORDER online at calchamber.com/harassment or call (800) 331-8877.

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