

# ALERT

VOLUME 42, NUMBER 2 • JANUARY 15, 2016

 **CalChamber**  
CALIFORNIA CHAMBER OF COMMERCE

## Finance Director Recaps Budget for CalChamber

*Focus on Long Term, Preparing for Next Recession*

Managing state finances with a long-term view is a guiding principle for the Governor's budget proposal for 2016–17, California Finance Director Michael Cohen told California Chamber of Commerce luncheon attendees this week.

Highlights of the presentation are included in the latest CalChamber Capitol Report video at [youtube.com/calchamber](http://youtube.com/calchamber).

### Balance Followed by Deficits

Governor Edmund G. Brown Jr. has proposed a \$171 billion balanced state budget with no new general taxes and an \$8 billion rainy day reserve.

"The basic principle we've been approaching the recent budget on is that we

are not solely focused on the upcoming year; we are really looking to the long term and thinking about how to manage the state's finances, not just for this generation, but for future generations as well," Cohen told attendees at the January 12 luncheon.

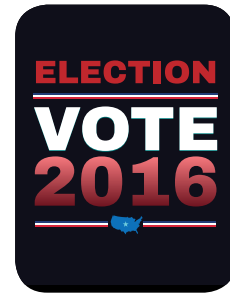
Cohen was quick to remind attendees that although revenues are up, "even when we've had surpluses, they've been two things: one: they've been very short-lived, and two: the magnitude of them doesn't compare to the size of the budget deficits that we've faced."

### Unpredictable Capital Gains

Capital gains are at an all-time high,

*See Governor's Budget: Page 4*

## Lengthy Ballot Shaping Up for November



The November ballot is likely to include lots of issues for California voters to decide.

So far there are two measures placed on the ballot by the Legislature and

six by proponents gathering sufficient petition signatures.

Among proposals eligible to be circulated for signatures are initiatives to legalize recreational use of marijuana, increase the minimum wage and extend the income tax increase approved by Proposition 30.

### On the Ballot

#### Legislative Proposals

The Legislature placed on the ballot proposals to:

- Kick legislators out of office for bad conduct.

- Remove from law provisions specifying how bilingual education immersion programs were to function. The deleted provisions were adopted via Proposition 227 of 1998 but later overturned by the courts.

#### Initiatives

Proponents have submitted petitions signed by enough registered voters to qualify the following initiative proposals for the November ballot:

- A California Chamber of Com-

*See Lengthy Ballot: Page 6*

### Inside

**[U.S. Supreme Court Hears Union Fee Case: Page 3](#)**



Photo by Sara Espinosa

California Finance Director Michael Cohen presents an overview of the Governor's proposed 2016–17 budget at a January 12 CalChamber luncheon. See highlights of the presentation in the latest CalChamber Capitol Report video at [youtube.com/calchamber](http://youtube.com/calchamber).

## Labor Law Corner

# Documenting Poor Performance Useful in Discrimination Claim Defense



**Dana Leisinger**  
HR Adviser

*We have a seasonal employee we have rehired every year for the past few years. He had a workers' compensation claim last year but now he's ready to come back. Unfortunately, his performance wasn't great last year, yet nothing was said to him. Do we have to rehire him?*

It is wise to be concerned about liability in this situation, since California Labor Code Section 132a states it's illegal

to discriminate against an employee who files a workers' compensation claim. Termination, of course, would be the ultimate form of discrimination.

### Discrimination Liability

If it is found that an employer has indeed discriminated against an employee due to the employee's claim, the employer can be held liable for a number of remedies, including increased compensation, costs and expenses, and reimbursement for lost wages and work benefits.

Additionally, defending a 132a claim is outside the scope of workers' compensation insurance coverage. So while your carrier will defend the underlying claim, an employer must hire independent counsel to defend the 132a.

In this situation, the employer doesn't wish to terminate the worker due to the claim, but for poor performance. However, nothing was said to the employee, and the personnel file has no documentation of the poor performance, leading to an implication that the termination does in fact stem from the claim.

This type of situation points out the importance of progressive discipline. When an employer disciplines an employee, with oral and written warnings, it helps to dis-

prove any claim of discrimination, be it a 132a claim as in this instance, or any other form of discrimination.

### Documentation

An employee is not absolutely "bulletproof" from termination when filing a workers' compensation claim, but there definitely is a heightened sense of protection, and therefore the personnel file should be well-documented with numerous warnings before proceeding with termination.

The well-documented file shifts the burden back to the employee to prove that the termination is based on the workers' compensation claim (or any other type of illegal discrimination) and not the poor performance.

It is advisable to seek legal counsel when terminating an employee currently on workers' compensation or who has returned recently from making a claim.

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

### Labor Law

2016 Employment Law Updates. CalChamber. January 22, San Francisco; January 27, San Jose. (800) 331-8877.

HR Boot Camp. CalChamber. January 26, San Jose, February 25, Modesto; March 2, Los Angeles; March 22, Los Angeles; May 10, Sacramento; June 9, Santa Clara. (800) 331-8877.

Employment Law Updates Webinar. CalChamber. January 29, (800) 331-8877.

Leaves of Absence. CalChamber. April 14, Sacramento; June 23, Huntington Beach; August 16, Sacramento. (800) 331-8877.

### International Trade

The Trans-Pacific Partnership Agreement—Understanding the Impact on Your Business. Reed Smith and BowerGroupAsia. January 29, San

Francisco. (312) 651-1648.

Executive Forum: Connecting the Asia-Pacific. National Center for APEC. February 25, San Francisco. (206) 441-9022.

GLOBE 2016 Conference & Innovation Expo. GLOBE Series. March 2-4, Vancouver, Canada.

Hannover Messe 2016. SelectUSA. April 25-29, Hannover, Germany.

Milken Institute Global Conference.

Milken Institute. May 1, Beverly Hills.

SelectUSA Investment Summit 2016. SelectUSA. June 19-21, Washington, D.C. (202) 482-6800.

**Next Alert: January 29**



## U.S. Supreme Court Hears Challenge of California Teacher Union Fee *Ruling Will Affect All Public Employee Unions*



The U.S. Supreme Court this week heard arguments about the validity of a fee the California Teachers Association (CTA) charges nonunion members to cover the cost of representing them

in contract negotiations.

In the case, *Friedrichs v. California Teachers Association*, 10 California Teachers and the Christian Educators Association International are challenging California's so-called fair-share law.

California is one of 23 states with a fair share law. Such laws permit arrangements between government employers and unions requiring nonunion employees to pay an agency fee equivalent to the dues paid by union employees to cover the cost of general union services like collective bargaining, contract administration and grievance adjustment, which benefit both union and nonunion employees.

In California, public school teachers pay an average of \$1,000 annually in union dues unless they opt out of the union at the start of each year. Nonunion members pay an average of \$600 in agency fees, meaning the other \$400 paid

by union members is dedicated to ideological expenditures.

Based on questions the U.S. Supreme Court justices asked during the January 11 presentation of arguments, a majority of the court may be inclined to overrule its prior decision permitting agency fees. Significantly, the ruling in the case would affect agency fees for all public unions, not just CTA.

### Previous Ruling

In 1972, the U.S. Supreme Court ruled in *Abood v. Detroit Board of Education* that fair-share laws are constitutional. In *Abood*, the U.S. high court said that agency fee provisions do not unnecessarily interfere with nonunion employees' First Amendment right to freedom of association, but also clarified that nonunion employees cannot be required to fund a union's "expression of political views, on behalf of political candidates, or toward the advancement of other ideological causes not germane to its duties as collective-bargaining representative."

The court acknowledged that there would not always be a clear distinction between collective-bargaining activities and ideological ones, but left that problem for the lower courts to resolve.

The Supreme Court did not require unions to presume that all nonunion

employees oppose political uses of their agency fees. Instead, it held that unions must identify what portion of their dues and agency fees are used on ideological activities and either not collect that portion or return it to those employees who clearly express opposition to the unions' ideological expenditures.

The plaintiffs in the *Friedrichs* case are asking the court to revisit the *Abood* decision, and argue that, at least in the case of public unions, all union activity is inherently political because negotiations involve a government employer and have an impact on public policy. As a result, they argue, fair-share laws force non-union employees to fund political speech they do not necessarily agree with, in violation of the First Amendment.

### Wisconsin Experience

Worth noting: Wisconsin repealed its fair-share law in 2011, and since then, a third of the state's teachers have stopped paying their dues.

If the Supreme Court overturns *Abood* and a similar percentage of teachers in California opt out, CTA could lose nearly \$100 million in annual income. Between 2001 and 2010, CTA spent \$211 million on political activities, nearly twice as much as any other organization in the state.

**Staff Contact:** [Mira Morton](#)

## Flexible Workweek Bill Gets Senate Committee Ax



### SUPPORT

business demands by allowing employees to request a voluntary, flexible workweek agreement was rejected by the Senate Labor and Industrial Relations Committee this week.

**SB 368 (Berryhill; R-Twain Harte)** sought to eliminate the burdensome alternative workweek election process and allow the employee the opportunity to request a

A California Chamber of Commerce-supported bill providing employers with the opportunity to accommodate employees' needs as well as

four, 10-hour day workweek schedule that will address the needs of both the employer and employee. The arrangement could have been repealed by the employee at any time with proper notice.

### Burdensome Process

California is one of only three states that requires employers to pay daily overtime after eight hours of work and weekly overtime after 40 hours of work. Even the other two states that impose daily overtime requirements allow the employer and employee to essentially waive the daily eight-hour overtime requirement through a written agreement.

California, however, provides no such common sense alternative. Rather, California requires employers to navigate 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.

### Alternative Workweeks

Currently, 29,249 alternative workweek schedules are reported with the Division of Labor Standards and Enforcement. According to the Employment Development Department's calculations for the first quarter of 2014, there are approxi-

*See Flexible Workweek: Page 6*

## Governor's Budget Looks to Long Term, Preparing for Next Recession

*From Page 1*

Cohen explained, going on to show a chart illustrating that the last two times capital gains have been this high, they have come crashing down shortly thereafter.

Cohen said that unlike prior budgets in California, the 2016–17 budget will be focused on preparing California for the next recession.

“We don’t exactly know how strong of a recession it will be, but we know it’s coming—that’s the nature of the business cycle,” Cohen said.

### **Builds Up the Rainy Day Fund**

The Governor’s budget makes a supplemental deposit of \$2 billion into the state’s rainy day fund—boosting the balance from 37% today to 65% of its constitutional target.

News reports last week stated that General Fund spending is projected to rise by more than \$9 billion over the last two years, but actual spending is held in check. Thanks to the CalChamber-supported budget reform measure, Proposition 2, the Governor proposes boosting the state’s rainy day reserve and paying down another \$1.5 billion in budget debt.

“Setting aside 10% of revenues for the rainy day fund is now our goal and basically we are trying to get to that goal as quickly as we can so that we have a full rainy day fund when the next recession does start, whenever that may be,” said Cohen.

### **Strengthens State Infrastructure**

Cohen discussed the Governor’s transportation package, first outlined last summer, that would provide \$36 billion over the next decade to improve the maintenance of highways and roads, expand public transit, and improve critical trade routes.

The new budget re-ups this proposal, and adds another \$800 million in additional loan repayments to support a variety of transportation projects.

The Governor’s budget restated his demand for increased funding to address California’s annual \$6 billion funding gap for annual highway system maintenance and repair.

Asked to commit more General Fund dollars for transportation, Cohen said it is the same story that it has been in the past.

“We’ve had a couple periods of time when we put a lot of money from the

General Fund into transportation. When there have been budget shortfalls, that money has never lasted,” Cohen said. “So the chance of a long-term commitment from the General Fund, I think is remote and I think we do need a long commitment. We have a perpetual gap in the amount of revenues we have to maintain our highways and roads and the amount that we bring in.”

He explained: “This is an opportunity basically, for the state to try to catch up on all of those things that we should have been spending on over the past few decades.”

### **Invests in K–12 Education**

The budget boosts school spending per student to \$10,591 in 2016–17, an increase of nearly \$3,600 compared to 2011–12 levels. It provides a fourth-year investment of more than \$2.8 billion in the Local Control Funding Formula, which Cohen explained, focuses on students with the greatest challenges to success, bringing the formula to 95% implementation. The budget also proposes a \$1.6 billion early education block grant that combines three existing programs to promote local flexibility, focusing on disadvantaged students and improved accountability.

Cohen explained that this block grant will “give school districts more flexibility and focusing the dollars on those low-income students. We think that’s the best way to use limited early education dollars.”

The proposed budget also includes \$900 million in competitive matching grants for career technical education.

“We are really focusing on the labor demands and how do community colleges offer the right programs to get students into the workforce,” Cohen said.

### **MCO Financing Reform**

Cohen explained that the managed care organization (MCO) tax is set to expire at the end of the current year. This change in federal policy has undermined the ability to obtain matching federal funds for a tax assessed on managed care organizations that serve Medi-Cal beneficiaries. The first year that California is going to be sharing the cost for the optional expansion with the federal government is 2017. Up to now, the federal government has covered 100% of the cost

of the expanded population to Medi-Cal.

The budget proposes a tax reform package that includes a replacement managed care organization tax for three years. The package provides a net reduction in taxes paid by the private health care industry, secures funding for General Fund Medi-Cal expenses and provides an opportunity for targeted rate increases for developmental disability services.

Under the federal health care reform optional expansion, 3.4 million additional residents now receive health coverage and the budget allocates \$740 million from the General Fund for the state’s share of costs. These costs will grow to reach \$1.8 billion General Fund by 2020–21.

A proposal to update the tax failed last year since it would have sharply increased taxes on health plans that do not serve Medi-Cal enrollees. Cohen noted that when this proposal was introduced, the CalChamber raised some concerns. “It’s a great example of the organization’s role in how you can really push for change in a positive way . . . it forced us to go back to the drawing board, think more creatively about all of the taxes managed care organizations pay: How can we, sort of, fit within the federal parameters, but also continue that critical General Fund help the managed care organization tax provides.”

In a statement on January 7, following the release of the Governor’s proposed budget, the CalChamber applauded the Governor for finding a way to avoid a reduction in federal Medi-Cal matching funds without adding costs to health plans that would have increased premiums to responsible California employers.

“Although we need to review the final language,” said Zarembek, “we should all be supportive of an approach that addresses a funding shortfall that doesn’t add to employer health care costs.”

A final summary of his talk, Cohen said, would be “that capital gains are at the highest level they were in 2015, that we are seven years into the economic recovery, that we think fiscal restraint is the order of the day, and I think that’s what this budget reflects.”

The full summary of the Governor’s budget proposal can be found at [www.ebudget.ca.gov](http://www.ebudget.ca.gov).

# Trans-Pacific, Transatlantic Pacts Top CalChamber Trade Priorities for 2016



Pending agreements with Pacific nations and the European Union are international trade priorities

for the California Chamber of Commerce as the 114th Congress convenes for its second session.

The CalChamber sent a letter this week outlining these priorities to members of the California congressional delegation, U.S. Secretary of Commerce Penny Pritzker and U.S. Trade Representative Michael Froman.

## Trade Agreements

The CalChamber urges support regarding pending regional and multilateral trade agreements. It is critical to the consumers, workers, businesses, farmers, and ranchers in California that these job-creating trade agreements are negotiated and approved at a time when they are needed more than ever.

Trade agreements 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. The CalChamber urged California representatives in Congress, the Commerce Secretary and U.S. Trade Representative to support these trade agreements that will continue to keep American and California businesses competitive.

## Trans-Pacific Partnership

Leaders of the current 12 Trans-Pacific Partnership countries—Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the United States, and Vietnam—successfully concluded negotiations for the Trans-Pacific Partnership (TPP) on October 5, 2015.

Each country's government now must approve the text of the agreement. It is anticipated that Congress will consider the TPP this year.

The TPP contains 30 chapters of trade, labor, intellectual property, and environmental regulations that will eliminate

18,000 foreign taxes on U.S. products, boost exports, protect intellectual property rights, and strengthen labor rights and human rights abroad.

According to the U.S. Department of Commerce, goods exported to TPP countries support an estimated 3.1 million U.S. jobs, with services exports supporting an additional 1.1 million U.S. jobs. California especially would benefit from the TPP, as 39,160 companies from California exported goods to TPP countries in 2013. In addition, 41% of the state's good exports went to TPP countries in 2014.

The market of more than 800 million consumers represents 40% of world gross domestic product (GDP). In 2014, U.S. exports with TPP members reached \$736.5 billion; California exports were \$71.6 billion, according to the U.S. Department of Commerce.

The TPP reinforces the Asia-Pacific Economic Cooperation goal of promoting regional economic integration and could build toward the Free Trade Area of the Asia-Pacific.

## Transatlantic Trade

The trans-Atlantic economic partnership is a key driver of global economic growth, trade and prosperity, and represents the largest, most integrated and longest-standing regional economic relationship in the world.

Together, the European Union and the United States are responsible for more than 11.5% of the world's population, nearly half of global GDP, a third of global merchandise trade, and 40% of world trade in services. The trans-Atlantic relationship defines the shape of the global economy as a whole; either the European Union or the United States also is the largest trade and investment partner for almost all other countries.

According to the World Bank, the EU market represents 508.3 million people, and has a total GDP of \$18.46 trillion. The United States has more than 318.9 million people and a GDP of \$17.42 trillion.

Total bilateral goods trade between the European Union and United States was \$694.3 billion in 2014, with the United States exporting \$276.1 billion

worth of goods to EU member nations.

California exports to the European Union in 2014 totaled \$29.6 billion. California is one of the top exporting states to Europe, with computers, electronic products and chemical manufactures as the state's leading export sectors to the region. EU countries purchase roughly 17% of all California exports. For California companies, the single market presents a stable market with huge opportunity.

Tariffs on goods traded between the U.S. and the EU average less than 3%, but even a small increase in trade could have major economic benefits. A free trade agreement could increase economic output in the long term, benefiting industries ranging from chemicals to automakers. EU-U.S. commercial links are unrivaled. Total U.S. annual investment in the EU is higher than in all of Asia, while EU investment in the U.S. far outstrips EU investment in India and China combined.

The CalChamber is supportive of Europe and the United States negotiating to deepen the world's largest trading relationship with focus on trade and investment initiatives including:

- eliminating tariffs on trans-Atlantic trade in goods;
- establishing compatible regulatory regimes in key sectors to address regulatory divergences that unnecessarily restrict trade;
- a bilateral investment agreement;
- liberalizing cross-border trade in services, without exclusions; and
- bilateral expansion of government procurement commitments.

## CalChamber Position

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.

Detailed information vital to the businesses that make California one of the largest exporting states in the nation and one of the largest economies in the world is available at [www.calchamber.com/international](http://www.calchamber.com/international).

**Staff Contact: [Susanne T. Stirling](mailto:Susanne.T.Stirling@calchamber.com)**

## Lengthy Ballot Shaping Up for November

From Page 1

merce-**supported** measure that makes it more difficult to divert federal Medi-Cal matching funds to programs other than health care.

- A CalChamber-**supported** \$9 billion school bond: \$3 billion for new construction and \$3 billion for modernization of K-12 public schools; \$1 billion for charter schools and vocational education facilities; \$2 billion for community college facilities.

- A CalChamber-**opposed** proposal to require statewide voter approval for revenue bonds used to build California infrastructure projects exceeding \$2 billion.

The goal of the initiative is to stop construction of a conveyance system in the Sacramento-San Joaquin Delta, but the initiative's impact goes far beyond that project. If passed, this measure would stall or stop vitally needed infrastructure projects all over the state, including water reliability projects, road safety and bridge repairs, university and college buildings. No exceptions would be allowed for the state to respond to natural disasters or emergencies.

- A referendum asking voters to overturn the legislation banning single-use plastic bags.

- An initiative to require condoms to be used by performers in adult films.

- An initiative that prohibits state agencies from paying more for a prescription drug than the lowest price paid by the U.S. Department of Veterans Affairs.

### Awaiting Signature Verification

Awaiting verification that sufficient valid signatures were submitted is a referendum to overturn the aid in dying law passed by the Legislature and signed

by the Governor last year. The law allows a terminally ill, mentally competent adult to obtain a prescription for a life-ending drug if two doctors confirm the diagnosis and other safeguards are met.

### Possible Initiatives

Major proposals that may find their way onto the November ballot include measures dealing with:

- **Legalizing recreational use of marijuana.** The CalChamber will be making sure any proposal doesn't interfere with employers' ability to enforce policies needed for a safe workplace.

One frontrunner is backed by Lieutenant Governor Gavin Newsom and has received financial support from former Facebook President Sean Parker. The measure also is supported by marijuana advocacy groups, which abandoned the initiative they filed.

- **Income tax.** A couple of initiative proposals filed would extend the income tax increase approved by Proposition 30. One proposal is sponsored by teachers; the other is sponsored by the hospital association and a health care union. Both would move the highest income tax rate up to 15.3% (versus the previous high of 10.3%, which was increased to 13.3% by Proposition 30).

It has been reported that the California Teachers Association, the sponsor of one proposal, is in talks to get some of the revenue distribution for Medi-Cal rate increases and is trying to find a proposal that will work.

- **Property tax.** A proposal has been filed to impose a tax surcharge on commercial and residential property worth more than \$3 million. In essence, this would be a tax increase on business

properties, similar to a split roll. The revenue, estimated at \$7 billion per year, would be used to fund social programs providing a safety net.

- **Cigarette tax.** One proposal increases the cigarette tax by \$2 per pack and the equivalent on other tobacco products and electronic cigarettes to fund certain Medi-Cal and health care programs.

A second proposal targets cigarettes, tobacco products and electronic cigarettes containing nicotine to increase funding for certain health care programs, tobacco use/prevention/control programs, University of California physician training and dental disease prevention programs. The proposal also seeks to exclude the revenues gathered from the Proposition 98 funding guarantee for schools.

- **Minimum wage.** Two very similar initiatives to increase the minimum wage have been filed. Both would increase the minimum wage to \$15 an hour by 2021, but one would expand the minimum number of paid sick leave days from 3 days per year to 6 days per year. The proposals were filed by two factions of the Service Employees International Union (SEIU), a public workers union.

- **Legislative Process.** The initiative would require all proposed legislation to be in print for 72 hours (3 days) before the Legislature votes and require all legislative proceedings to be recorded and be available within 24 hours.

- **Campaign Finance.** The proposal would increase fines for violations of the political reform act.

- **Water Bond.** The proposal would benefit water recycling, conservation and open space purchases.

## Flexible Workweek Bill Gets Senate Committee Ax

From Page 3

mately 1,370,292 employers in California.

At best, approximately 3% of California employers are utilizing the alternative workweek schedule option. More realistically, however, given that information in the database is according to work unit instead of employer, it is likely that less than 1% of employers in California are utilizing this process.

SB 368 would have relieved employers, especially smaller employers, from the

administrative cost and burden of adopting an alternative workweek schedule.

Pursuant to SB 368, at the request of the employee, an employer would have been able to implement a flexible work schedule that allows the employee to work up to 10 hours in a day or 40 hours in a week, without the payment of overtime.

Employers should be able to negotiate through a written agreement, revocable by either party, the daily/weekly schedule that satisfies the needs of both the

employees and the employer.

### Key Vote

SB 368 failed to pass Senate Labor and Industrial Relations on a 1-4 vote.

**Ayes: J. Stone (R-Riverside).**

Noes: Mendoza (D-Artesia), Jackson (D-Santa Barbara), Leno (D-San Francisco), Mitchell (D-Los Angeles).

**Staff Contact: Jennifer Barrera**



**“CalChamber advocacy unleashes California innovators so they can continue to transform the state’s economy and create jobs.”**

Joseph M. Otting  
 President and Chief Executive Officer  
 OneWest Bank N.A.  
 2015 CalChamber Chair

**CAPITOL WATCHDOG**

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

**MAJOR VICTORIES**

CalChamber scores major victories for employers through targeted advocacy and political action. See [www.calchamber.com/majorvictories](http://www.calchamber.com/majorvictories)

**ABOUT US**

CalChamber is the largest broad-based business advocate in California, 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.

**FOR MORE INFORMATION**

Contact Drew Savage,  
 Vice President, Corporate  
 Relations, (916) 930-1277.

# Advocacy Return on Investment

## 2015 Sample Return on Investment for CalChamber Members

Arbitrary petroleum use cutback averted: tax revenue saved (SB 350)	\$18.15 Billion
Limit on in-state energy development: tax revenue at risk saved (de facto fracking moratorium: AB 1490)	\$6.7 Billion
Split roll property tax reassessment cost stopped (SCA 5)	\$6 Billion
New unsubstantiated emission reductions defeated (SB 32)	\$200 Million
Backed program reducing recidivism by expanding housing opportunities (AB 1056)	\$200 Million
New health care mandates stopped (SB 190, SB 289)	\$194.3 Million
Revived land use entitlements encouraging economic growth (AB 1303)	\$25 Million
Stopped bill constraining trial courts’ ability to operate more efficiently (SB 682)	\$25 Million
Supported cost-effective means for disposing of treated wood waste (SB 162)	\$20 Million
Significant workers’ compensation increase stopped (SB 563)	\$12 Million
Increased spending on health care, prescription drugs averted (AB 374)	\$11 Million
Stopped new labeling mandate stifling innovation (AB 708)	\$10 Million
Prevented increased cost and delay in environmental review process (SB 122)	\$5 Million
One-size-fits-all scheduling mandate stopped (AB 357)	\$2.8 Million
Unworkable hazardous waste permitting process stopped (SB 654)	\$1.466 Million
<b>Total Definable Return</b>	<b>\$31.556 Billion</b>

**Return Per California Employee \$2,323**

### Other Savings from Legislation Stopped

Significant expansion of state family rights act vetoed (SB 406)	\$100,000 per lawsuit averted plus added cost per employee on leave
Safe harbor for innovative vision care centers signed (AB 684)	\$70,000 per lawsuit prevented
Expanded liability for operating drone above property vetoed (SB 142)	\$70,000 per lawsuit avoided
California-only labeling for sugar-sweetened beverages defeated (SB 203)	\$70,000 per lawsuit averted
Minimum wage indexing stopped (SB 3)	\$15,000 per exempt employee/\$6,000 per hourly employee

### Clearing the Path for Trade Agreements and Financing that Will Open Export Opportunities for California Businesses

- Supported renewal of trade promotion authority, which helps boost U.S. exports and create jobs.
- Backed renewal of the Export-Import Bank of the United States, supporting \$25 billion in California exports since 2007 and \$3 billion in the 2014 fiscal year alone.
- Supported renewal of the Generalized System of Preferences, which saves California companies \$100 million a year.
- Supported extension of the African Growth and Opportunity Act (AGOA), which helps support nearly \$800 million in California exports to AGOA nations.



**FRIDAY, JANUARY 29, 2016 | 10:00 - 11:30 AM PT**

## 2016 Employment Law Updates Webinar

Start the new year clearly understanding changes to California and federal employment laws. CalChamber's annual webinar explains how recent state and federal court cases, new laws and regulatory changes apply to your workforce.

Our legislative presence at the State Capitol means you can trust CalChamber for clear explanations and accurate interpretation of employment-related legislation signed into law for 2016.

Cost: \$199.00 | Preferred/Executive Members: \$159.20



This webinar is mobile-optimized for viewing on tablets and smartphones.

**LEARN MORE** at [calchamber.com/2016updates](http://calchamber.com/2016updates) or call (800) 331-8877.

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