

ALERT

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CalChamber Releases 2016 Preliminary Job Killer List



The California Chamber of Commerce this week released a preliminary list of job killer bills to call attention to the negative impact that 18 proposed measures would have on California's job climate and economic recovery if they were to become law.

The list is preliminary at this point because CalChamber expects to add more bills to the list in the coming weeks as legislation is amended. CalChamber will periodically release job killer watch updates as legislation changes.

Readers are encouraged to track the current status of the job killer bills on www.cajobkillers.com or by following @CAJobKillers on Twitter.

"These job killer bills represent the worst of the worst legislative proposals

currently under consideration by lawmakers," said CalChamber President and CEO Allan Zarembeg.

"As everyone knows, California has areas that are booming economically and other areas that are stagnating. Each part of California has unique problems and these job killers will negatively impact future economic growth. Whether they create barriers to providing affordable housing for workers, or increase costs for companies trying to grow or stay in business, these job killer bills should not become law."

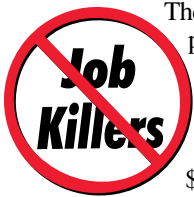
The preliminary list of 2016 job killer bills follows:

Arbitration Discrimination

• **AB 2667 (Thurmond; D-Richmond) Arbitration Agreements Discrimination** — Unfairly discriminates

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Minimum Wage Job Killer Goes to Governor



The Legislature this week passed **SB 3 (Leno; D-San Francisco)**, a job killer bill that will increase the minimum wage in California to \$15 per hour by 2022 (2023 for companies

employing 25 or fewer people since there is a one-year implementation delay for small business). The Governor has announced he will sign the bill on Monday, April 4.

"This is too much too fast," said CalChamber President and CEO Allan Zarembeg. "It is unfortunate the Legislature didn't take advantage of the opportunity to address the issue in a more balanced manner."

SB 3 calls for an increase of \$.50 per hour beginning January 1, 2017 and an increase of \$.50 per hour in January 2018. The rate would increase \$1 per year thereafter until 2022. Small business would not be required to begin the scheduled increases until 2018.

Once the minimum wage reaches \$15, it will be adjusted annually according to national inflation rates without any real ability to suspend the increases.

Until the time it reaches \$15, the Governor has discretionary authority to suspend increases based on current economic conditions. However, these "offramps" are discretionary and would come into play only if there are declining

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CalChamber, Coalition Back Transparency Initiative



The California Chamber of Commerce is part of a diverse coalition that has endorsed a proposed ballot initiative to rein in special interests and give voters more access to the legislative process.

The coalition includes representatives of good government and employer groups, as well as current and former elected officials.

Bipartisan Support

Besides the CalChamber, others lining up behind the California Legislature Transparency Act as it makes its way toward the November ballot include California Common Cause, Californians Aware, Los Angeles Area Chamber of Commerce, former Democratic Assembly Speaker Pro-Tempore Fred Keeley, and Assemblywoman Kristin Olsen (R-Modesto).

"When legislation that affects jobs and the economy is decided upon by only a select few and passed in the dead of night, it can create significant obstacles for business growth which impacts real people," said CalChamber President and CEO Allan Zarembeg. "CalChamber supports the California Legislature Transparency Act, which will create transparency in the legislative process."

California Common Cause Executive Director Kathay Feng said the act "helps further the mission of Common Cause by

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Labor Law Corner

California Law Requires Employers to Pay Employees' Expense Claims



Dana Leisinger
HR Adviser

Can we have a policy that employees' expense claims must be turned in by a certain time period, and if the employee doesn't meet that time frame—the expense will not be paid out?

California's Labor Code is very specific that expenses must be paid out. Section 2802 states: "An employer shall indemnify his or her employee for all necessary expenditures or losses incurred

by the employee in direct consequence of the discharge of his or her duties...." The code does not, however, specify a time period for the submission of expenses.

Submission Time Periods

The statute of limitations governing the submission of expenses is up to four years, but most employers prefer a far shorter time period for submission of costs.

It is therefore recommended that employers have a policy regarding when expense reports must be submitted—typically once a month is industry standard.

When late submissions become a problem, the better practice is to discipline an employee for submitting late claims. Set time frames for the submission of expenses, and guidelines for employees who travel, and follow those guidelines consistently.

Reasonable Business Expenses

Employees are entitled to be reimbursed only for reasonable business expenses, so employers can require that hotel and food costs be contained at a certain amount, and airfare be coach versus first class.

If an employee chooses the higher level of travel, he/she can be required to pay the difference between the employer guidelines and the higher amount.

Reimbursement Time Frame

Additionally, the law is not specific on when the employer is required to reimburse the employee. When an employee leaves his/her job, expenses are not required to be paid out in the same time frame as the final paycheck, but employers should not delay payment. Processing payment should be handled in the usual manner of paying expenses, and not delayed due to any problems with the departing employee.

It is best to create specific policies regarding employees submitting expenses, and employers paying them. Both sides should have firm guidelines, and adhere to them accordingly.

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 at www.calchamber.com/events.

Labor Law

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

High Price of Misclassifying Exempt Employees Webinar. CalChamber. April 21, Webinar. (800) 331-8877.

HR Boot Camp. CalChamber. May 10, Sacramento; June 7, Santa Clara; September 7, San Diego; September 22, Sacramento. (800) 331-8877.

International Trade

2016 Global Economic Outlook: Risks and Opportunities on the Horizon. U.S. Commercial Service. April 6, Webinar.

International Trade Luncheon with Consul General of Mexico. Hayward Chamber of Commerce. April 12, Hayward. (510) 537-2424.

Asia/Pacific Business Outlook Confer-

ence. U.S. Commercial Service. April 18–19, Los Angeles. (213) 200-7172.

Exporting Best Practices. California Centers for International Trade Development. April 19, Clovis. (559) 324-6401.

Importing into the U.S. California Centers for International Trade Development. April 19, Clovis. (559) 324-6401.

11th Annual Export Control Forum. U.S. Bureau of Industry and Security. April 20–21, Burlingame. (949) 660-0144.

South Africa Energy Storage Business Briefing. Business Council for International Understanding. April 21, Long Beach. (212) 997-3584.

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

Milken Institute Global Conference. Milken Institute. May 1, Beverly Hills. World Trade Kickoff Breakfast. Los

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against arbitration agreements and therefore is likely preempted by the Federal Arbitration Act, which will lead to confusion and litigation, by prohibiting arbitration of Unruh Civil Rights violations made as a condition of a contract for goods or services.

• **AB 2879 (M. Stone; D-Scotts Valley) Employment Arbitration Agreements Discrimination** — Unfairly discriminates against arbitration agreements and is likely preempted by the Federal Arbitration Act, which will lead to confusion and litigation, by prohibiting an employer from requiring an individual who is a member of the military to sign a mandatory arbitration agreement as a condition of employment.

Affordable Housing Barriers

• **AB 2162 (Chu; D-San Jose) Erodes Housing Affordability** — Increases the cost of and delays housing and other development projects by eliminating existing mitigation options for impacts to oak woodlands under the California Environmental Quality Act and instead imposes an entirely new and separate permitting process for the removal of even one valley oak tree.

• **AB 2502 (Mullin; D-South San Francisco/Chiu; D-San Francisco) Erodes Housing Affordability** — Increases the cost and reduces the supply of housing by authorizing local governments as condition of development to impose a costly and inflexible price-controlled inclusionary housing requirement and, in doing so, legislatively repeals an established court decision upholding developers' ability to set initial rental rates for new dwelling units.

• **SB 1150 (Leno; D-San Francisco) Erodes Housing Availability** — Increases risk and the cost of residential loans by allowing a party not on the mortgage loan to interfere with appropriate foreclosures and creates a private right of action for violations of overly complex and burdensome requirements.

• **SB 1318 (Wolk; D-Davis) Erodes Housing Affordability** — Inappropriately leverages necessary affordable housing in order to solve infrastructure issues with

the consequence that the housing won't be built by imposing requirements on water or waste water districts to serve certain communities first.

Increased Labor Costs

• **AB 1727 (Gonzalez; D-San Diego) Price-Setting by Independent Contractors** — Harms consumers and the California economy by essentially allowing independent contractors in almost every industry to collaborate and set prices for their services as well as other terms and conditions of their contracts, which will raise prices for consumers as well as subject them to costly litigation with the threat of triple damages if consumers terminate those contracts.

• **SB 878 (Leyva; D-Chino) Mandated Scheduling Requirement** — Eliminates worker flexibility and exposes employers to costly penalties, litigation, and government enforcement, by mandating employers in the retail, grocery, or restaurant workplace, including employers who have hybrid operations that include a retail or restaurant section, to provide a 21-day work schedule and then face penalties and litigation if the employer changes the schedule with less than 7 days notice, even when the change is at the request of the employee.

• **SB 1166 (Jackson; D-Santa Barbara) Imposes New Maternity and Paternity Leave Mandate** — Unduly burdens and increases costs of small employers, with as few as 5 employees, as well as large employers by requiring 12 weeks of protected employee leave for maternity or paternity leave, in addition to up to four months of existing pregnancy disability leave, for employees who have worked for the employer one day, as well as exposing employers with 50 or more employees to lawsuits for failing to provide 24 weeks of protected leave in a 12-month period.

Meritless Litigation

• **SB 899 (Hueso; D-San Diego) Increased Meritless Litigation Costs** — Drives up consumer costs and increases frivolous litigation similar to the disability access lawsuits in California, by prohibiting a retailer or grocery store from discriminating against a person on the basis of gender with the price of goods and subjecting them to a

minimum \$4,000 of damages for each violation.

California Oil Production Barriers

• **AB 1759 (Bonta; D-Oakland) Gas Price Increase** — Jeopardizes the production of California based fuel by banning the use of hydrogen fluoride and hydrofluoric acid at facilities that use more than 250 gallons and are located within two miles of a residence, notwithstanding the fact that there are significant safety regulations in place at the local, state and federal levels.

• **AB 1882 (Williams; D-Santa Barbara) Gas Price Increase** — Jeopardizes the production of California-based fuel by substantially complicating the existing permitting process for the Underground Injection Control program by imposing duplicative requirements and requiring the Division of Oil, Gas and Geothermal Resources to cede aspects of its permitting authority to the regional water quality control board.

• **AB 2729 (Williams; D-Santa Barbara/ Thurmond; D-Richmond) Gas Price Increase** — Jeopardizes the production of California-based fuel supply and increases costs to the industry by revising the definition of an idle well and requiring permanent closure of 25% of California's long-term idle wells each year.

Tax Increase

• **ACA 8 (Bloom; D-Santa Monica) Lowers Vote Requirement for Tax Increases** — Adds complexity and uncertainty to the current tax structure and pressure to increase taxes on commercial, industrial and residential property owners by giving local governments new authority to enact special taxes for storm and wastewater infrastructure, including parcel taxes, by lowering the vote threshold from two-thirds to 55%.

2015 Job Killer Carryover Bills

Burdensome Environmental Regulation

• **SB 32 (Pavley; D-Agoura Hills) Slows Economic Growth** — Increases costs for California businesses, makes them less competitive and discourages

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economic growth by adopting further greenhouse gas emission reductions for 2030 without regard to the impact on individuals, jobs and the economy.

• **SB 654 (de León; D-Los Angeles)**

Creates Unworkable Hazardous Waste Permitting Process — Discourages investment in upgrading and improving hazardous waste facilities by shutting down hazardous waste facilities if the Department of Toxic Substances Control (DTSC) fails to take final action on the permit renewal application within a specified timeframe, even if the permit appli-

cant acted diligently and in good faith throughout the permit application process.

Increased Labor Costs

• **SB 3 (Leno; D-San Francisco)**

Automatic Minimum Wage Increase — Unfairly imposes a potential 50% increase in the minimum wage by 2022 (actually an 87% increase over an 8-year period when combined with the last increase just implemented in January 2016), and automatically adjusts minimum wage beyond 2018 according to national inflation, with no “offramps” to suspend the indexing if employers are struggling

with other economic factors or costs.

Tax Increase

• **SCA 5 (Hancock; D-Berkeley)**

Split Roll — Undermines the protections of Proposition 13 by unfairly targeting commercial property owners and increasing their property taxes by assessing their property based upon current fair market value instead of acquired value. Such costs will ultimately be passed on to consumers and tenants through higher prices and will result in job loss as businesses struggle to absorb such a dramatic tax increase.

U.S. High Court Deadlocks on Union Fee Case



In a one-sentence ruling on March 29, a deadlocked U.S. Supreme Court upheld a system allowing public employers to require non-union public workers to pay what are called

“fair share” union fees.

With the recent passing of Justice Antonin Scalia, there was no deciding vote to break the 4-4 tie. This highly watched labor case is *Friedrichs v. California Teachers Association*.

California Origins

The case began in California. A group of public school teachers sought to overturn a 1977 U.S. Supreme Court decision in *Abood v. Detroit Board of Education*.

Abood allowed public employers to require nonunion workers in union-represented bargaining units to pay union fees as long as they didn’t have to fund the union’s political or ideological activities—so-called “fair share” payments.

Some union opponents in California challenged these fair share fees as unconstitutional, but the Ninth Circuit relied on *Abood* to rule in favor of the teachers’ unions.

In the *Friedrichs* case, the Supreme

Court was set to consider its earlier decision in *Abood* and the constitutionality of fair share fees, including whether it violates the First Amendment to require public employees to affirmatively “opt out” of funding unions’ political and ideological activities rather than requiring that employees affirmatively “opt-in” to subsidizing such speech.

The U.S. Supreme Court simply announced the deadlock and affirmed the Ninth Circuit’s decision. For now, *Abood* and fair share fees remain valid.

This is the second tie decision since Justice Scalia died on February 13 and left a vacancy on the court.

Staff Contact: Gail Cecchetti Whaley

CalChamber, Coalition Back California Transparency Initiative

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creating a more open, honest, and accountable government and working to empower the public to participate in, and have their voices heard, in our political process.”

The measure filed by former Senate Republican Leader Sam Blakeslee and government reform advocate Charles Munger Jr. aims to reduce the power and influence of special interests and empower the average California voter in the legislative process.

Process Transparency

The initiative increases transparency in the legislative process by requiring that all proposed new laws be published online in final form, viewable to the voters, for at least 72 hours before the Legislature votes. The measure further requires that all legislative meetings be recorded and made freely available online for the public within 24 hours.

Supporters announced earlier include

California Forward, the California National Federation of Independent Business, the California Black Chamber of Commerce, and the First Amendment Coalition. The California Legislature Transparency Act is rapidly gaining support and is well on its way to qualify for the November ballot.

To learn more about the California Legislature Transparency Act or to join the coalition, visit the newly launched website at www.holdpoliticiansaccountable.org.

Minimum Wage Job Killer Goes to Governor

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state revenues from sales tax, a decline in the labor market or if there is a budget deficit (this offramp is permitted to occur only twice).

Opponents of the measure expressed doubt that these suspensions would ever be used. In addition, they objected to the fact that the bill provides no “offramps” if the economy is struggling or businesses are suffering from other increased cumulative costs.

Impact Beyond Hourly Workers

Not only does the measure increase pay for minimum wage workers, but it also impacts salaried employees’ compensation. In order for employees to qualify as “exempt” under any of the six exemptions in California, they must meet the salary-basis test, which is two times the monthly minimum wage. Under SB 3, that amount in January 2022 will rise from the current annual salary of \$41,600 to at least \$62,400, which is an increased cost to employers of \$20,800 per exempt employee.

An increase in minimum wage will also drive up workers’ compensation costs, uniform/tool reimbursements, overtime, and consumer prices. These additional costs will significantly burden those companies that may not ordinarily pay minimum wage, yet will suffer a negative impact as a result of the proposed increase.

SB 3 was tagged a job killer by the CalChamber because it has the potential to increase the minimum wage by 50% over the next six years for employers with more than 25 employees and actually amounts to an 87% increase in the minimum wage in just eight years when combined with the most recent minimum wage increase that was fully implemented in January 2016. This unprecedented increase in the minimum wage will overwhelm many businesses that already are struggling with the current minimum wage increase and will limit job growth in this state.

At a March 28 news conference announcing the agreement on SB 3, the Governor cited the union-backed minimum wage hike currently qualified to appear on the November ballot as a factor

in the discussions. Supporters of the initiative have until the end of June to decide whether to withdraw their measure from the ballot.

Joining the CalChamber in opposing SB 3 was a broad coalition of employer groups, industry associations and local chambers of commerce. Their concerns included:

- not all regions of California can absorb an 87% increase in the minimum wage.
- the “offramps” to suspend the scheduled minimum wage increases are discretionary and limited.
- raising the minimum wage creates job loss for untrained workers and those who are new to the job market.
- a recent study suggests increasing the minimum wage does not target those in actual need.

Assembly Vote

The Assembly voted 48-26 to pass SB 3 on March 31:

Ayes: Alejo (D-Salinas), Atkins (D-San Diego), Bloom (D-Santa Monica), Bonilla (D-Concord), Bonta (D-Oakland), Brown (D-San Bernardino), Burke (D-Inglewood), Calderon (D-Whittier), Campos (D-San Jose), Chau (D-Monterey Park), Chiu (D-San Francisco), Chu (D-San Jose), Cooley (D-Rancho Cordova), Cooper (D-Elk Grove), Dababneh (D-Encino), Dodd (D-Napa), Eggman (D-Stockton), Frazier (D-Oakley), C. Garcia (D-Bell Gardens), E. Garcia (D-Coachella), Gatto (D-Glendale), Gipson (D-Carson), Gomez (D-Los Angeles), Gonzalez (D-San Diego), Gordon (D-Menlo Park), R. Hernández (D-West Covina), Holden (D-Pasadena), Irwin (D-Thousand Oaks), Jones-Sawyer (D-South Los Angeles), Levine (D-San Rafael), Lopez (D-San Fernando), Low (D-Campbell), McCarty (D-Sacramento), Medina (D-Riverside), Mullin (D-South San Francisco), Nazarian (D-Sherman Oaks), O’Donnell (D-Long Beach), Quirk (D-Hayward), Rendon (D-Lakewood), Ridley-Thomas (D-Los Angeles), Rodriguez (D-Pomona), Santiago (D-Los Angeles), M. Stone (D-Scotts Valley), Thurmond (D-Richmond), Ting (D-San Francisco), Weber (D-San Diego), Williams (D-Carpinteria), Wood (D-Healdsburg).

Noes: Achadjian (R-San Luis

Obispo), T. Allen (R-Huntington Beach), Baker (R-San Ramon), Brough (R-Dana Point), Chang (R-Diamond Bar), Chávez (R-Oceanside), Dahle (R-Bieber), Daly (D-Anaheim), B. Gaines (R-El Dorado Hills), Gallagher (R-Yuba City), Gray (D-Merced), Hadley (R-Torrance), Jones (R-Santee), Kim (R-Fullerton), Lackey (R-Palmdale), Maienschein (R-San Diego), Mathis (R-Visalia), Mayes (R-Yucca Valley), Melendez (R-Lake Elsinore), Obernolte (R-Big Bear Lake), Olsen (R-Modesto), Patterson (R-Fresno), Steinorth (R-Rancho Cucamonga), Wagner (R-Irvine), Waldron (R-Escondido), Wilk (R-Santa Clarita).

Absent/abstaining/not voting: Bigelow (R-O’Neals), Grove (R-Bakersfield), Harper (R-Huntington Beach), Linder (R-Corona), Salas (D-Bakersfield).

Senate Vote

The Senate concurred in Assembly amendments on SB 3 on March 31, 26-12:

Ayes: B. Allen (D-Santa Monica), Beall (D-San Jose), Block (D-San Diego), de León (D-Los Angeles), Galgiani (D-Stockton), Glazer (D-Contra Costa), Hall (D-Los Angeles), Hancock (D-Berkeley), E. Hernandez (D-West Covina), Hertzberg (D-Van Nuys), Hill (D-San Mateo), Hueso (D-San Diego), Jackson (D-Santa Barbara), Lara (D-Bell Gardens), Leno (D-San Francisco), Leyva (D-Chino), Liu (D-La Cañada Flintridge), McGuire (D-Healdsburg), Mendoza (D-Artesia), Mitchell (D-Los Angeles), Monning (D-Carmel), Pan (D-Sacramento), Pavley (D-Agoura Hills), Roth (D-Riverside), Wieckowski (D-Fremont), Wolk (D-Davis).

Noes: Anderson (R-Alpine), Bates (R-Laguna Niguel), Cannella (R-Ceres), Fuller (R-Bakersfield), T. Gaines (R-El Dorado Hills), Huff (R-San Dimas), Moorlach (R-Rancho Cucamonga), Morrell (R-Rancho Cucamonga), Nguyen (R-Garden Grove), Nielsen (R-Gerber), J. Stone (R-Temecula), Vidak (R-Hanford).

No vote recorded: Berryhill (R-Twain Harte), Runner (R-Antelope Valley).

Staff Contact: Jennifer Barrera

CalChamber Seeks Stronger Accountability in Rulemaking



SUPPORT

ered soon by an Assembly policy committee.

AB 1868 (Wagner; R-Irvine) requires economic impact statements of proposed major regulations be submitted to the Legislature in addition to other rulemaking requirements.

The CalChamber and a coalition of employer groups are supporting AB 1868

A California Chamber of Commerce-**supported** bill to strengthen the accountability and transparency of the state's regulatory process will be consid-

because the bill paves the way to effective and least burdensome regulations.

AB 1868 requires a copy of each major regulation be submitted to the Legislature, thereby creating the opportunity for legislative oversight to increase accountability in the rulemaking process, and for the Legislature to compare the regulatory result with the legislative intent.

Regulatory agencies are vested with significant authority to regulate California businesses in a number of areas. These regulations, designed to protect the public and ensure fair competition, have an impact on the cost of doing business in California.

AB 1868 will enhance the ability of the Legislature to perform its oversight and accountability role by providing informa-

tion on major rulemaking to inform discussion on pending and future laws.

The bill proposes an important opportunity for transparency and process improvement to work toward creating a more favorable regulatory climate in which to grow California's economy.

Action Needed

AB 1868 is awaiting a hearing in the Assembly Accountability and Administrative Review Committee.

The CalChamber is urging members to contact their Assembly representatives and committee members to express **support** for **AB 1868**.

An easy-to-edit sample letter is available at calchambervotes.com.

Staff Contact: Marti Fisher

Drought-Proof Water Supply Bill Pending in Assembly Committee



SUPPORT

Parks and Wildlife Committee.

AB 1925 (Chang; R-Diamond Bar) establishes a goal to desalinate 300,000 acre-feet of drinking water per year by

A California Chamber of Commerce-**supported** bill that sets a state goal to promote desalination is awaiting a hearing in the Assembly Water,

the year 2025 and 500,000 acre-feet per year by the year 2030.

California is chronically short of water even in normal precipitation years. The only way to resolve the chronic shortage is to move forward with a comprehensive, long-term fix for the Delta, plus increased storage and conveyance, reuse, recycling, desalination and conservation.

Desalination offers a drought-proof water supply that can be utilized in many locations. The Governor's Water Action Plan encourages the state to maximize

local and regional water supply development and calls for streamlining of the permitting process for desalination and recycling of water.

Setting goals helps guide the state to expedite desalination proposals and projects. A reliable water supply is one of the fundamental requirements for businesses to thrive.

For background information, see the CalChamber issue summary on desalination at www.calchamber.com/businessissues.

Staff Contact: Valerie Nera

CalChamber-Sponsored Seminars/Trade Shows

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Angeles Area Chamber of Commerce. May 3, Los Angeles. (213) 580-7569.
Sacramento IRS Small Business Week Webinar. Internal Revenue Service. May 6, Webinar.
Sacramento Regional Global Trade Summit. Northern California-Sacramento Regional Center for International Trade Development. May 18, Sacramento. (916) 563-3219.
World Trade Center International

Business Luncheon. Northern California World Trade Center. May 18, Sacramento. (916) 321-9146.
Select LA Investment Summit. World Trade Center Los Angeles. June 16, Los Angeles. (213) 680-1888.
SelectUSA Investment Summit 2016. SelectUSA. June 19-21, Washington, D.C. (202) 482-6800.
2016 Public Forum on "Inclusive Trade." World Trade Organization. September 27-29, Geneva, Switzerland.

CalChamber Calendar

Capitol Summit/Host Breakfast:
May 17-18, Sacramento
International Forum:
May 17, Sacramento
Environmental Regulation Committee:
May 17, Sacramento
Water Committee:
May 17, Sacramento
Fundraising Committee:
May 17, Sacramento
Board of Directors:
May 18, Sacramento

New Manufacturing Training Center Opens at CalChamber Member Site

Inland Empire Consortium Builds with Help of \$15 Million Federal Grant

A new training center has opened on the campus of California Chamber of Commerce member **California Steel Industries, Inc. (CSI)** near Fontana in San Bernardino County.

The **Industrial Technical Learning Center (InTech Center)** will train more than 2,000 workers in advanced manufacturing, advanced transportation, logistics, energy and utilities, as well as computers and digital media.

The programs are conducted at no cost to employers and employees due to a competitive federal grant of nearly \$15 million awarded to Chaffey College and the Inland Empire Regional Training Consortium by the Trade Adjustment Assistance Community College and Career Training program in 2014.

Chaffey and the consortium were the sole California recipients of 71 grantees across the nation.

Skilled Employees Needed

“Manufacturers today depend on the skills of employees that go much beyond inserting tab a into slot b,” said CSI President and CEO Toshiyuki “Ted” Tamai at the InTech Center official opening and ribbon cutting ceremony on March 23.

“We have found that developing these skills is quite possible with the people who live and work in our communities, with the support and knowledge of organizations such as those who have worked to make InTech a reality.

“In this way, we can offer good, well-paying jobs right here in the Inland Empire. We can all continue to grow our businesses and strengthen the economies of our counties.”

InTech Center

The InTech Center states that it focuses on career paths which include lab

work and coursework in a hands-on training environment. The programs attract workers with high school diplomas (or GEDs) who have career and educational goals not found in a formal college or university setting.

The new center, including a café and conference center, encompasses 28,000 square feet with a mix of four classrooms and four labs for industrial electrical,

The COE identified 45 manufacturing occupations in San Bernardino and Riverside counties that are expected to generate 2,020 annual openings, both new and replacement jobs. The projections don’t take into account the aging of the current advanced manufacturing workforce.

Research from Deloitte and the Manufacturing Institute found that 84% of manufacturing executives cite a talent shortage in U.S. manufacturing. The gap is predicted to worsen as more than 2.7 million professionals retire from the manufacturing workforce over the next decade.

New/Updated Skills

Dr. Henry Shannon, president of Chaffey College, noted, “In addition to providing brand-new skills for workers, we are also helping to update existing skill levels for incumbent workers.”

Course designers “are watching job and trade demand in the region so that we can better tailor programs to what the industry needs now and in the future,” he said.

“As a major employer in the region, we’re familiar with the critical need for skilled workers who can seamlessly move into manufacturing jobs,” said Brett Guge, CSI executive vice president, finance and administration. “We feel InTech is one of the best solutions to ensure these talented people are available, not just for CSI, but for manufacturers and other employers throughout the region.”

Consortium

The consortium includes 10 community colleges, two four-year universities, the Manufacturers’ Council of the Inland Empire, and several faith-based and community organizations. All participating colleges received individual funding to provide training across the Inland Empire.

More information is available at intechcenter.org.



Photo Courtesy: California Steel Industries, Inc.

Toshiyuki “Ted” Tamai, president and CEO of California Steel Industries, Inc. (CSI), speaks at the March 23 grand opening ceremony for the InTech Center, located on CSI’s campus.

mechanical, engineering/mechatronics, and computer/information and communications technology/digital media.

Also available is an on-site career placement center staffed by a “work skills navigator” to help students obtain employment upon completing training.

Advanced Manufacturing Jobs

InTech cites a 2014 report by the Inland Empire Center of Excellence (COE) suggesting growing employment opportunities in advanced manufacturing fields. The COE identified 4,350 advanced manufacturing businesses within San Bernardino and Riverside counties.

In 2012, these businesses generated \$24 billion in revenue and provided an estimated 96,519 jobs in the two Inland Empire counties, according to the COE.

LIVE WEBINAR | THURSDAY, APRIL 21, 2016 | 10:00 - 11:30 AM PT

High Price of Misclassifying Exempt Employees

Misclassifying nonexempt employees as exempt from overtime is one of the most common and costly class-action lawsuits against employers. Also consider the California Labor Commissioner's increased wage-and-hour enforcement efforts—a top priority.

Why pay the high price of noncompliance when you can join our employment law experts on April 21, for a review of correctly classifying and paying exempt employees in California.

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