CalChamber Releases 2018 Job Creator List

The California Chamber of Commerce has released its list of job creator bills, calling attention to 11 bills that will stimulate the economy and improve the state’s jobs climate.

Since 2008, the CalChamber has identified bills that will encourage employers to invest resources back into the economy and local communities rather than spend them on unnecessary government-imposed costs.

Job creating legislation promotes the following policies:
• Keeping taxes on new investment and business operations low, fair, stable and predictable.
• Reviving local economic development tools.
• Reducing regulatory and litigation costs of operating a business—especially when hiring and keeping employees.
• Reducing the cost and improving the certainty and stability of investing in new or expanded plants, equipment and technology.

See CalChamber Releases: Page 4

CalChamber Stops Targeted Tax Job Killer Bill

CalChamber Policy Advocate Marti Fisher explains the job killing provisions of AB 2560 (Thurmond; D-Richmond) to the Assembly Revenue and Taxation Committee. The bill failed on a 5-4 vote. See story on page 7.

Job Killer Update:
CalChamber Identifies Three Additional Bills

The California Chamber of Commerce this week added three more bills to its job killer list, bringing the total number of job killers to 27. The new additions to the list are:
• AB 2384 (Arambula; D-Kingsburg). The bill would mandate that medication-assisted treatment for substance abuse disorders be covered by health insurance. CalChamber has tagged this bill as a job killer because it eliminates all quality control and cost containment mechanisms for treating substance abuse disorders, which would significantly increase the cost of health care. This mandate will fall solely on individuals, and small and medium employers because most large employers are self-insured and not subject to this mandate. It will also encourage employers that can move to self-insurance to do so as a way to avoid the mandate. The shift to self-insured employers away from insured employers leaves a smaller pool of employers over which to spread the costs of these mandates. Finally, increasing premiums will drive healthy risk out of the market, leaving fewer to pay for this mandate. AB 2384 is scheduled to be heard in the Assembly Health Committee on April 24.
• AB 2613 (Reyes; D-Grand Terrace). The bill would mandate that medication-assisted treatment for substance abuse disorders be covered by health insurance. CalChamber has tagged this bill as a job killer because it eliminates all quality control and cost containment mechanisms for treating substance abuse disorders, which would significantly increase the cost of health care. This mandate will fall solely on individuals, and small and medium employers because most large employers are self-insured and not subject to this mandate. It will also encourage employers that can move to self-insurance to do so as a way to avoid the mandate. The shift to self-insured employers away from insured employers leaves a smaller pool of employers over which to spread the costs of these mandates. Finally, increasing premiums will drive healthy risk out of the market, leaving fewer to pay for this mandate. AB 2613 is scheduled to be heard in the Assembly Health Committee on April 24.

See Job Killer Update: Page 7

Inside

Film Tax Credit Bills Pass:
Page 6
Labor Law Corner
National Medical Support Notice Requires Timely Response

I received a National Medical Support Notice for one of my employees. What is this notice and how do I respond?

A National Medical Support Notice (NMSN) is a notice sent to an employer from a local child support agency when an employee’s child is required, by a child support order, to be provided health care. It consists of two parts:

- Part A, which is completed by the employer; and
- Part B, which is completed by the plan administrator for the employer’s group health care plan.

An NMSN may come from a child support agency in California or in another state.

Timely Response

All employers who receive an NMSN must timely respond to the notice. If the person identified in the notice has never been your employee or is not a current employee, or if you don’t offer health care or if the employee is not eligible for health care benefits, you must indicate that on Part A of the NMSN and return it to the local child support agency that issued the NMSN within 20 business days from the date of the NMSN.

If the person identified in the NMSN is an employee who is eligible for your group health care plan, you must indicate that on Part A of the NMSN and return it to the local child support agency within 20 business days. You also must send Part B of the NMSN to your plan administrator, with instructions that the plan administrator enroll the employee’s child in your group health care plan.

The plan administrator has 40 business days to enroll the employee’s child, and complete and return Part B of the NMSN to the local child support agency. Once the child is enrolled, the plan administrator must send information about the health care coverage to the local child support agency.

Mandatory Enrollment

An NMSN is a qualified medical child support order, which means that when an NMSN orders a child to be enrolled in your group health care plan, enrollment is mandatory. If the employee objects to the child being enrolled, you still must proceed with enrollment; it is up to the employee to contest the order with the local child support agency.

If your group health care plan requires that the employee be enrolled in order for the employee’s child to be enrolled, you must enroll both the employee and the child to comply with the NMSN, even if

See National Medical Support: Page 6

CalChamber-Sponsored Seminars/Trade Shows

More at www.calchamber.com/events.

Labor Law
California Harassment Prevention Training. CalChamber. May 29, Sacramento; September 17, Pasadena. (800) 331-8877.

HR Boot Camp. CalChamber. April 26, Costa Mesa (sold out); June 5, Santa Clara; August 21, Sacramento; September 5, Long Beach. (800) 331-8877.


You Can’t Fight City Hall and Their Local Ordinances. CalChamber. June 14, Webinar. (800) 331-8877.


Business Resources
TECHSPO LA 2018. TECHSPO. June 13–14, Santa Monica. (800) 805-5385.

International Trade

See CalChamber-Sponsored: Page 3

CalChamber Calendar

Capitol Summit: May 23, Sacramento
International Forum: May 23, Sacramento
Water Committee: May 23, Sacramento
Board of Directors: May 23–24, Sacramento
Host Breakfast: May 24, Sacramento
State to Survey Employers on Anti-Harassment, Diversity Policies

The California Department of Fair Employment and Housing (DFEH) recently announced that it will survey California employers by telephone to ask about their anti-harassment and diversity policies.

The goal of the survey is to develop a clearer picture of how California employers manage diversity and harassment issues, including anti-harassment and diversity policies.

Types of Questions

Employers will be selected randomly for the phone interviews. The survey includes questions about:

• Employers’ anti-discrimination, sexual harassment and general anti-harassment policies;
• Employer-sponsored training on harassment and diversity issues;
• Recruiting programs for women and minorities; and
• Harassment complaint procedures.

According to the DFEH, company names will not be recorded on the surveys and only aggregate survey data will be released.

“Knowing more about California employers’ harassment and diversity initiatives is key to the Department’s ongoing work to prevent workplace harassment and discrimination,” said DFEH Director Kevin Kish, in a statement. “We expect the results of the survey to provide important insights for policy makers and the public alike.”

Survey Background

The survey was discussed during a Fair Employment and Housing Council meeting last December and developed in consultation with a group of academics who study effective training. The survey will tackle different industries and sizes of employers, based on EEO-1 data.

According to the council, the identity of the respondent will be severed from the information provided—to keep it anonymous. The intent of the survey is not to punish employers for noncompliance, but instead to find out what type of training has and has not worked.

Task Force

The survey is a product of the DFEH Task Force on the Prevention of Sexual Harassment in the Workplace, formed in May 2016 to study the problem of sexual harassment, the effects of 10 years of harassment prevention training in the state and best practices to prevent harassment.

The Task Force previously issued a Workplace Harassment Guide for California Employers that provides DFEH-recommended practices for preventing and addressing all forms of workplace harassment, including harassment based on sex.

Staff Contact: Gail Cecchettini Whaley

Learn Best Practices for Preventing Heat-Related Illnesses: April 24

The Heat Illness Prevention Network (HIP Network) is sponsoring a telephone conference call with Q&A on Tuesday, April 24 at 1:30 p.m. to review best practices for preventing heat illness at outdoor worksites.

The HIP Network is a voluntary public/private partnership established to increase awareness of the hazard of heat illness and the importance of prevention measures to prevent serious illnesses and fatalities in California workplaces. HIP Network members partner with the California Division of Occupational Safety and Health (Cal/OSHA) to provide timely information to employers and employees.

“It is never too early for employers with outdoor workers to review their heat illness prevention procedures and ensure their training is effective,” said Cal/OSHA Chief Juliann Sum, who will be fielding questions along with André Schoorl, acting director of the state Department of Industrial Relations.

The call is open to anyone who wants to ensure that all best practices are being followed to prevent heat illness.

Call Information

• Call (800) 230-1085.
• This is an operator-assisted call; the password is “heat illness prevention.”
• Before the call: questions can be submitted to heat@dir.ca.gov.
• Tuesday, April 24, 1:30 p.m.

CalChamber-Sponsored Seminars/Trade Shows

From Page 2

May 3, Beverly Hills. (626) 658-7944.
World Trade Week Kickoff Breakfast.
Los Angeles Area Chamber. May 4,
Los Angeles. (213) 580-7569.
Water and Agriculture Technology
Business Mission to Israel. U.S.
Chamber. May 8–10. Israel. (202)
463-3584.
21st Annual International Business
Luncheon. World Trade Center
Northern California. May 24, Sacra-
mento. (916) 319-4272.
SelectUSA Investment Summit. U.S.

School of Commerce. June 20–22,
Oxon Hill, MD. (800) 424-5249.
Vehicle Aftermarket Trade Mission to
Chile. Auto Care Association and
International Trade Administration.
August 21–22. Chile. (301) 654-6664.
83rd Thessaloniki International Fair.
HELEXPO. September 8–16, Thessa-
loniki, Greece.
China International Import Expo. China
International Import Export Bureau.
November 5–10, Shanghai, China.
CalChamber Releases 2018 Job Creator List

From Page 1

- Investing in public and private works that are the backbone for economic growth.
- Ensuring the availability of high-quality skilled employees.

**2018 Job Creators**

The 2018 job creator bill list follows:

- **AB 1734 (Calderon; D-Whittier) Extension of Film Tax Credits** — Extends California’s current tax credit for motion picture and television productions, which has a sunset date of July 1, 2020, for an additional five years, continuing the success of this tax credit, which has brought more film and television production jobs to this state and has increased business to California.

- **AB 1743 (O’Donnell; D-Long Beach) Career Technical Education** — Reauthorizes and provides appropriations for the Career Technical Education Incentive Grant program, which provides students with necessary training and education to prepare them for a variety of career options.

- **AB 2016 (Fong; R-Bakersfield) Private Attorneys General Act** — Mitigates the financial threat of frivolous litigation by requiring that plaintiffs provide a more detailed account of the allegations in the required Private Attorneys General Act (PAGA) notice, allowing an employer to use these financial resources to grow their workforce instead.

- **AB 2482 (Voepel; R-Santee) Flexible Workweek** — Allows for an employee-selected flexible work schedule and relieves employers of the administrative cost and burden of adopting an alternative workweek schedule per division, which accommodates employees, helps retain employees, and allows the employer to invest these savings into growing its workforce.

- **AB 2509 (Waldron; R-Escondido) Employee Flexibility** — Provides non-exempt employees who work a traditional 8-hour day schedule the opportunity to request an on-duty meal period in order to leave work 30 minutes earlier, which helps accommodate employee requests, retain employees, and offer more flexible work arrangements.

- **AB 2770 (Irwin; D-Thousand Oaks) Sexual Harassment Employer/Employee Protection** — Codifies case law to ensure victims of sexual harassment and employers are not sued for defamation by the alleged harasser when a complaint of sexual harassment is made and the employer conducts its internal investigation. This bill also provides additional protections to employers by expressly allowing employers to inform potential employers about the sexual harassment investigation and findings. Reducing the cost of frivolous litigation allows an employer to utilize these financial resources to grow its workforce.

- **AB 2907 (Flora; R-Ripon) Private Attorneys General Act** — Provides employers with a reasonable opportunity to cure specific Labor Code violations before being subject to costly and frivolous litigation under the Labor Code Private Attorneys General Act (PAGA), allowing an employer to invest this financial savings into growing its workforce.

- **AB 2936 (Nazarian; D-Sherman Oaks) Extension of Film Tax Credits** — Extends California’s current tax credit for motion picture and television productions, which has a sunset date of July 1, 2020, for an additional five years, continuing the success of this tax credit, which has brought more film and television production jobs to this state and has increased business to California companies that supply productions with goods and services.

- **SB 832 (Portantino; D-La Cañada Flintridge) Extension of Film Tax Credits** — Extends California’s current tax credit for motion picture and television productions, which has a sunset date of July 1, 2020, for an additional five years, continuing the success of this tax credit, which has brought more film and television production jobs to this state and has increased business to California companies that supply productions with goods and services.

- **SB 951 (Mitchell; D-Los Angeles) Extension of Film Tax Credits** — Extends California’s current tax credit for motion picture and television productions, which has a sunset date of July 1, 2020, for an additional five years, continuing the success of this tax credit, which has brought more film and television production jobs to this state and has increased business to California companies that supply productions with goods and services.

- **SB 1243 (Portantino; D-La Cañada Flintridge) Career Training Education** — Establishes the California State Pathways in Technology (CA P-TECH) program, to encourage and assist selected schools, in a public-private partnership, to prepare students for high-skilled, high-demand jobs in technology, manufacturing, health care and finance.

For more information on the 2018 job creator bills, visit [www.calchamber.com/jobcreators](http://www.calchamber.com/jobcreators).
Chile, California Continue Building Strong Trade/Investment Relationship

On April 17 and 18 the Chile-California Council gathered for its annual event and Board Meeting at the California Chamber of Commerce. The opening session on Wednesday focused on Clean Energy and Opportunities, Challenges, Policies and Programs for a Sustainable Grid and Electrification Transport.

In opening remarks to the nearly 100 attendees, CalChamber Vice President of International Affairs Susanne T. Stirling reminded listeners that just 10 years have passed since the inception of the Chile-California Plan.

Chile President Michelle Bachelet visited California, including an address at the CalChamber. Shortly thereafter, a Memorandum of Understanding was signed by the CalChamber, the Los Angeles Area Chamber and the American Chamber of Commerce in Chile during a California trade mission to Chile.

Speaking next were Chile-California Council Chair Tu Jarvis, a professor in agricultural and resource economics at the University of California, Davis, and Carol Z. Perez, U.S. ambassador to Chile.

Ambassador Perez discussed the energy pillars of trade and investment together with joint research and innovation which are so important as Chile develops its 2050 National Energy Policy. To this end, she has created a Council for Science and Innovation for U.S. and Chilean collaboration.

Morning Sessions

The day-long conference started with an introduction to California energy policy by Ken Alex, senior policy advisor to California Governor Edmund G. Brown Jr. and director of the Governor’s Office of Planning and Research.

Alex outlined the seven-prong approach to California reducing energy use by 40% from the 1990 levels by the year 2030.

The first panel discussion about utility scale shortage was moderated by Juan Pablo Carvallo, senior scientific engineering associate in the electrical markets and policy group at Lawrence Berkeley National Laboratory. Panelists included Ken Zagzebski, president of AES US; John Zahurancik, chief operating officer for Fluence; Juan Pedro Alonso, innovation manager for ENEL; and Tom Georgis, senior vice president of development for SolarReserve.

The second panel examined distributed energy resources and was moderated by Cristián Sjogren, cofounder of Solarwatt. Panelists were Cecilia Aguillon, founder and chairman of Engie Storage; Lillian Mirviss, project manager for OhmConnect; and Alex Portilla, principal product manager, Distributed Energy Resources Management System, Pacific Gas and Electric (PG&E).

Consul General Luncheon attendees enjoyed welcome remarks from the Consul General of Chile in San Francisco, Enrique Barriga.

He gave an overview of the Chilean trade and investment relationship, together with a description of the long history between Chile and California, dating back to the 1700s.

Afternoon Panels

Immediately following lunch, the electrification of transportation, particularly self-driven cars, was the subject for speaker Dan Sperling, Blue Planet professor of civil and environmental engineer-
Film Tax Credit Bills Pass Legislative Policy Committees

Four California Chamber of Commerce-supported job creator bills passed Assembly and Senate policy committees this week. All four bills extend for another five years California’s current tax credit for motion picture and television production, currently scheduled to sunset on July 1, 2020.

AB 1734 (Calderon; D-Whittier) and AB 2936 (Nazarian; D-Sherman Oaks) won unanimous approval from the Assembly Arts, Entertainment, Sports, Tourism, and Internet Media Committee on April 17.

SB 832 (Portantino; D-La Cañada Flintridge) and SB 951 (Mitchell; D-Los Angeles) won approval from the Senate Governance and Finance Committee on April 18, 5-1.

Extending the sunset date will continue the success of the tax credit, which has brought more film and television production jobs to this state and has increased business to California.

In 2014, the California Legislature enacted an expanded motion picture and television production tax credit program, referred to as Film Tax Credit 2.0. Because of this program, according to the California Film Commission, 137 television and feature film projects located their productions in California. In the first three years of the program, those projects are estimated to have spent an aggregate of $5.1 billion in the state—on wages to the skilled professionals who create these movies and television programs, and on payments to the California businesses that supply productions with goods and services.

Moreover, 13 television series that previously filmed outside of California have relocated to the state, and seven large-budget films, a genre that had been all but lost to California, are being filmed here.

In its letter supporting the film credit bills, the CalChamber pointed out that planning for both motion picture and television productions typically occurs several years in advance, and productions rely on the certainty that the incentive will be available as location decisions are being made. Therefore the bills are seeking the extension of the credit this year, the third year of the current program.

Key Vote
- Voting for AB 1734 and AB 2936 in Assembly Arts on April 17 were:
  Ayes: Acosta (R-Santa Clarita), Chiu (D-San Francisco), Chu (D-San Jose), Friedman (D-Glendale), Medina (D-Riverside), Nazarian (D-Sherman Oaks), Waldron (R-Escondido)

The bills will be considered next by the Assembly Revenue and Taxation Committee.
- SB 832 and SB 951 passed Senate Governance and Finance on votes of 5-1:
  Ayes: Beall (D-San Jose), Hernandez (D-West Covina), Hertzberg (D-Van Nuys), Lara (D-Bell Gardens), McGuire (D-Healdsburg)

No: Moorlach (R-Costa Mesa).

No vote recorded: Nguyen (R-Garden Grove).

The bills will be considered next in the Senate Appropriations Committee.

Staff Contact: Sarah Boot

National Medical Support Notice Requires Timely Response

From Page 2

the employee had previously declined coverage. You must enroll the employee and child within the time specified by the NMSN; you cannot wait until the next open enrollment period.

Both federal and state law require employers to comply with NMSNs. An employer who fails to comply with an NMSN can be found in contempt of court and face penalties and fines. In addition, employers must not discriminate or retaliate against an employee because of the existence of an NMSN.

More Information

Employers with questions about how to complete and comply with an NMSN can find more information from the California Department of Child Support Services at www.childsup.ca.gov/employer.aspx.

Column based on questions asked by callers on the Labor Law Helpline, a service to California Chamber of Commerce preferred employers 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.

Chile, California Continue Building Strong Trade/Investment Relationship

Independent System Operator (ISO).

The final panel of the day on the Chile market and its regulation was moderated by Bernardo Busel, professor of electricity law and regulation at Universidad Adolfo Ibáñez Law School; and included panelists Marcelo Tokman, CEO, Chilean National Oil Company and former minister of energy of Chile; Ernesto Huber, operations manager, National Electric Coordinator.

The Chile-California Council is a binational nonprofit organization established in 2011. Its 35 members from the public and private sectors support bilateral cooperation to promote scientific research, entrepreneurship, social innovation and public leadership.

See www.calchamber.com/Chile and the Chile-California Council website, https://chile-california.org/.

The CalChamber has been a member of the council since its inception.

Staff Contact: Susanne T. Stirling
CalChamber Kills Targeted Tax Proposal in Assembly Committee

A California Chamber of Commerce-opposed job killer bill that would have imposed a tax on contractors for the privilege of doing business with the Department of Corrections and Rehabilitation failed to pass its first committee hurdle this week. AB 2560 (Thurmond; D-Richmond) sought to impose the tax on contractors to fund preschool and after-school programs. The contractors would have been required to absorb the cost while maintaining a price of lowest responsible bidder.

The CalChamber and a coalition of employer groups argued against AB 2560’s attempt to impose a tax of up to 10% on contractors.

“The bill unfairly targets one category of taxpayers to fund a benefit for all of the state,” CalChamber Policy Advocate Marti Fisher said in testimony to the Assembly Revenue and Taxation Committee on April 16.

“While we agree that reducing incarceration is an important policy area…we disagree with the proposed revenue source set forth in AB 2560 and have identified it as a job killer,” Fisher stated. “Contractors and vendors are pleased to do business with the state and can attribute a portion of their success to that relationship,” she said.

“An added tax on top of an already resource-intensive contracting process for businesses in California could jeopardize the viability” of contracting with the Department of Corrections if costs cannot be calculated into the bid equation, Fisher told the committee.

Higher Costs

Bids are a math calculation; if the math does not work, the transaction will not occur, leading to fewer companies participating in the bidding process. As a result, less competition could lead to higher costs to the state.

“An unduly burdensome tax structure built into contracting will ultimately result in a loss to the state of qualified and competitive bidders, as well as a loss of business to the vendors that the state has come to rely on as quality and dependable,” Fisher pointed out.

According to the Legislative Analyst’s Office review of the Governor’s Proposed 2018–19 Budget, the state is projected to end the 2018–19 fiscal year with a significant surplus. Thus, there is no justification for targeting a limited group of taxpayers to fund education programs to prevent incarceration.

The CalChamber has consistently stated that any tax increase should be broad-based and shared by all so that the financial impact is mitigated.

Key Vote

AB 2560 fell short of votes needed to pass Assembly Revenue and Taxation on April 16. The vote was 5-4:

Ayes: Bonta (D-Oakland), Burke (D-Ingelwood), Chu (D-San Jose), McCarty (D-Sacramento), Mullin (D-South San Francisco).

Noes: Brough (R-Dana Point), Gray (D-Merced), Melendez (R-Lake Elsinore), Voepel (R-Santee).

No vote recorded: Quirk (D-Hayward). A similar bill by the same author, AB 43, was held last year in the Assembly fiscal committee.

Staff Contact: Marti Fisher

Job Killer Update: CalChamber Identifies Three Additional Bills

From Page 1

other person acting individually or as an officer, agent, or employee of another person who fails to pay or causes a failure to pay specified wages of each employee subject to a penalty of $200, payable to each affected employee, per pay period where the wages due are not paid on time.

CalChamber has identified this as a job killer because it would impose another layer of Labor Code penalties for wage-and-hour violations in addition to the penalties already available under the Private Attorneys General Act (PAGA) and imposes personal liability onto employees who have no control over the actual payment of wages. These provisions will significantly increase litigation against California employers and limit their ability to invest in their workforce.

AB 2613 passed the Assembly Labor and Employment Committee on April 18. The bill now moves to the Assembly Appropriations Committee; no hearing date set.

• SB 1121 (Dodd; D-Napa). The bill would authorize a consumer whose personal information has been or is reasonably believed to have been breached to institute a civil action for specified remedies, including damages not less than specified amounts, injunctive and declaratory relief, or any other remedy the court deems proper.

CalChamber has identified SB 1121 as a job killer because it would remove the requirement of economic injury for standing to bring a claim in California against a company for a data breach, undermining the intent of voters, and drastically increasing liability for companies without providing any corresponding benefit to California consumers. Passing SB 1121 would drastically increase the civil liability of companies providing goods and services in California without any corresponding benefit to California consumers.

SB 1121 is scheduled to be heard in the Senate Judiciary Committee on April 24.

To view the job killer list, visit www.cajobkillers.com.

For up-to-date information on the job killer list, follow @CAJobKillers on Twitter.
LIVE WEBINAR | THURSDAY, MAY 17, 2018 | 10:00 - 11:30 AM PT

Bundle of Labor Laws:
PDL, California’s New Parental Leave, and Baby Bonding Under FMLA and CFRA

Time off for baby. California provides strong protections for employees who are pregnant and/or new parents.

Managing pregnancy and baby bonding leave is not an easy task given the number of laws involved.

On May 17, join our employment law experts online for specifics on leave eligibility and employer obligations.

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

REGISTER NOW at calchamber.com/may17 or call (800) 331-8877.