Job Killer Bill Threatens Water Supply Reliability

Legislation that threatens water supply reliability for millions of Californians is scheduled to be considered next week by an Assembly policy committee.

The California Chamber of Commerce has labeled SB 1 (Atkins; D-San Diego) as a job killer due to the significant and entirely avoidable negative consequences resulting from language in the bill.

“The creation of the redistricting commission is yet another example of how we do things the California way,” said California Chamber of Commerce Executive Vice President of Public Affairs Martin R. Wilson at the June 10 press event launching the Commission application period.

“Only three other states have a...”

See Job Killer Bill: Page 6

Coalition-Backed Fixes to Privacy Law ‘Stayin’ Alive’

California Chamber of Commerce Policy Advocate Sarah Boot penned the following update on the CalChamber-supported privacy bills for the Capitol Insider blog.

Well, you can tell by the way we worked these privacy bills—we walked the halls and made time to talk—to legislators.

So far, the CalChamber Privacy Coalition’s hard work to draft and advocate for reasonable, legislative fixes to the California Consumer Privacy Act (CCPA) has largely paid off. Friday, May 31, marked the house of origin deadline, and all but one of our bills (the fix for targeted, online ads) made it out of the first house.

Still Alive

These important bills are still alive:
• AB 25 (Chau; D-Monterey Park)
• Clarifies the definition of consumer to exclude employees or job applicants.

These bills have substantially threatened water supply reliability for millions of Californians; forces state agencies to review irrelevant federal laws, regulations and guidelines; instigates costly litigation through the creation of brand new private rights of action; removes basic due process for everyone by waiving Administrative Procedure Act safeguards; and automatically integrates federal baseline standards into California law without agency review.

The CalChamber and a coalition of industry groups and local chambers of commerce have proposed reasonable amendments that preserve all goals in the bill, avoid all identified negative impacts,

See Coalition-Backed Fixes: Page 7

Application Period Now Open to Apply for 2020 Redistricting Commission

Business owners, business leaders and their employees have a unique once-in-a-decade opportunity to make their voices heard on how California is represented both in Sacramento and Washington, D.C.

June 10 marked the first day that California citizens can begin submitting applications to join the state’s 2020 Citizens Redistricting Commission. The deadline to apply is August 9, 2019.

The Commission, which is formed every 10 years, redraws the boundaries of California’s congressional, state Senate, state Assembly, and state Board of Equalization districts to reflect new federal census population data.

California voters passed the Voters First Act in 2008 (Proposition 11), authorizing the creation of the Citizens Redistricting Commission, and taking the job out of the hands of the Legislature and giving it to the citizens.

“The creation of the redistricting commission is yet another example of how we do things the California way,” said California Chamber of Commerce Executive Vice President of Public Affairs Martin R. Wilson at the June 10 press event launching the Commission application period.

“Only three other states have a...”

See Application Period Now Open: Page 4

Linked Learning Bridges Skills Gap: Page 5
Part-Time Employees May Qualify as Exempt; 2-Part Test to Decide

An employee who meets the salary test requirements and is primarily engaged in exempt duties may be properly classified as exempt.

Salary Test Requirements

Under California Labor Code Section 515, most “white collar” exempt employees must “earn a monthly salary equivalent to no less than two times the state minimum wage for full-time employment.”

For purposes of the minimum exempt salary level only, the code states that full-time employment is 40 hours per week. (Note though that employers are free to set their own definition of full-time work for other purposes, such as entitlement to vacation accrual and holiday pay.)

Based on the current two-tier California minimum wage, for businesses with 25 or fewer employees, the annual exempt salary minimum is $45,760 ($3,813.33 per month), and for larger employers the minimum is $49,920 ($4,160 per month).

Labor Code Section 515 does not require that an employee actually work full-time hours in order to be exempt. However, regardless of the number of hours actually worked, the salary minimum stays the same and may not be prorated for work that is less than 40 hours per week.

A full-time exempt employee earning $50,000 per year who cuts back to 20 hours per week and has her salary prorated to $25,000 would not meet the minimum salary test and thus could not remain exempt.

There are a few exceptions to this minimum salary requirement for outside sales, computer professionals, and certain doctors.

Duties Test Requirements

Regardless of whether an employee works full-time or part-time, the employee must be “primarily engaged” in exempt duties, meaning he/she must spend more than 50% of his/her time engaged in those duties.

As an example, a licensed architect who wants to work only part-time hours can be classified as exempt as long as he/she primarily engages in architectural work and receives at least the full minimum required salary.

On the other hand, an exempt manager cutting back to part-time may not end up “primarily engaged” in managerial duties in the part-time role, because someone else in the company may need to take over more day-to-day management of workers. This would mean the manager may no longer meet the managerial duties test and therefore might not remain exempt.

Column based on questions asked by callers on the Labor Law Helpline, 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.

CalChamber-Sponsored Seminars/Trade Shows

More at www.calchamber.com/events.

Labor Law
Classifying Exempt Employees.
CalChamber. June 20, Webinar. (800) 331-8877.
HR Boot Camp. CalChamber. August 22, Pasadena; September 12, Sacramento. (800) 331-8877.
International Trade
Farmers for Free Trade Reception. K•Coe Isom and Farmers for Free Trade. June 18, Sacramento.
The Workplace

CalChamber Podcast Focuses on Meals and Breaks at the Office

Although California’s meal and rest break rules are intended to give hourly employees time to take breaks during their shifts, problems can arise if employees skip their breaks or if employers don’t offer them.

In this week’s episode of The Workplace, CalChamber Executive Vice President and General Counsel Erika Frank discusses meals and breaks at the office with attorney Michael Nader, shareholder with Ogletree Deakins, who focuses his practice on defending wage-hour class actions.

In the podcast, they discuss meal and rest break rules and the importance of tracking employees’ breaks to protect employers against class action lawsuits.

Employers Must Provide

California’s Labor Code outlines the rules employers must follow when it comes to providing nonexempt employees their meal and rest breaks.

For meal breaks, Nader explains, it is important for the employee to be exempt from all duty and allowed to leave the premises if he/she wishes. “The employer must relinquish control over the employees’ activities,” he says.

There is no one purpose for meal breaks at the office; it is an unpaid break for hourly employees to spend however they choose.

“Under California law, a meal break really has nothing to do with lunch,” Nader explains to Frank. “It is really the opportunity to provide the employee with duty-free uninterrupted time where they are free to leave the premises. If the employee wishes to eat during that period, that is fine. If they wish to do something else during that time, that is fine as well.”

Similarly, with rest breaks, employees can use these paid, on-the-clock, net 10-minute periods any way they like.

“Employers are required to authorize and permit nonexempt employees to take rest breaks,” adds Nader. “Rest breaks are required to fall in the middle of work periods as far as practical.”

Why Tracking Breaks Matters

When employees decide to skip their meal and rest breaks, legal issues can sometimes arise—often in the form of class action lawsuits.

To protect employers from class actions, it is important to track employees’ breaks and encourage employees to take their breaks for meals and rest.

“Employers should have robust, detailed policies demonstrating to the employees that rest breaks are provided and that they are expected to take them,” Nader explains.

In the case that employees may be skipping their meal or rest breaks to continue working, it is key for the employer to first determine why the break wasn’t taken and then determine whether a premium payment is owed. Most important, in all circumstances, employers should retain documentation in the event an employee ever disputes the reasons a break was not taken.

“A lot of employees choose to work through rest breaks and they never let the company know,” Nader tells Frank. “While the company is fully authorizing and permitting rest breaks, employees may regularly not be taking them. That is where the company wants to make extra efforts to show that they encourage and expect employees to take their rest breaks and to try to build documentation, either through an attestation process or some other way that employees can confirm that they at least received some opportunity to take rest breaks.”

Nader concludes the episode by reading a poem he wrote and dedicated to the unsung heroes of California—the employers and job creators—titled “Breaks in Paradise.”

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To listen or subscribe, visit www.calchamber.com/theworkplace.

CalChamber-Sponsored Seminars/Trade Shows

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Salt Lake Chamber of Commerce. September 12, Snowbird, Utah. (801) 364-3631.

Think Asia, Think Hong Kong. Hong Kong Trade Development Council. September 20, Los Angeles. (213) 622-3194.


Hong Kong International Wine and Spirits Fair 2019. Hong Kong Trade Development Council. November 7–9, Hong Kong.
In Memoriam: Edwin A. Guiles

Edwin A. Guiles, 2008 chair of the California Chamber of Commerce Board of Directors, passed away on June 7 at the age of 69. While CalChamber chair, Guiles was executive vice president, corporate development, for Sempra Energy. He retired from that position in 2009 and continued to serve on the CalChamber Board as a director of Cubic Corporation through December 2014.

At the time of his death, he had been a director of both the Cubic Corporation and the California Water Service Group since 2008.

Guiles joined the CalChamber Board in January 2001 while group president of regulated business units at Sempra Energy. He previously served as chairman and CEO of San Diego Gas & Electric (SDG&E) and Southern California Gas Co. (SoCalGas), Sempra Energy’s California-regulated utilities.

Before that role, Guiles was president of SDG&E from 1997 to 2000. He also served as executive vice president of Enova Corporation, the former parent company of SDG&E, from January to June 1998. He was senior vice president of Enova Corporation from 1996 to 1997. He joined SDG&E in 1972 and held positions in engineering, power plant management, natural gas operations, customer service, and business planning and budgeting.

Guiles earned his bachelor’s degree in mechanical engineering from the University of Arizona, and was a graduate of the executive programs at the University of Southern California and the Edison Electric Institute. He served as a captain in the U.S. Marine Corps from 1966 to 1969.

He was a member of the Economic Development Council Board and the San Diego County YMCA, and had served as planning commissioner for the City of Chula Vista, a director of the Arthritis Foundation and Wellness Communities, as well as in several fundraising positions for the United Way and Boy Scouts.

Application Period Now Open to Apply for 2020 Redistricting Commission

From Page 1 citizens commission like this, and in California it’s really not the politicians who choose the voters. Because of this commission process, gerrymandering is a relic of the past. Our citizens will choose their representatives,” Wilson said.

The CalChamber was an early supporter of Propositions 11 and 20—the two ballot measures that created the Citizens Redistricting Commission.

Eligibility Requirements

Applicants must meet the following minimum eligibility requirements:

- Have been a registered voter since July 1, 2015;
- Have been registered with the same political party or no party preference (NPP) since July 1, 2015; and
- Voted in at least two of the last three statewide general elections.

An applicant is ineligible to serve on the Commission if the applicant has a conflict of interest as defined by the Voters First Act within the 10 years before submitting an application.

The conflicts resulting in ineligibility include the applicant or an immediate family member having: served or been a candidate for congressional or state elective office; been an officer, employee or paid consultant for a California political party; been a paid consultant for a candidate for California congressional or elective state office; or been a registered lobbyist.

Selection Process

California citizens must submit their application to the California State Auditor’s Office by August 9, 2019. Applicants who are invited to advance in the selection process will be asked to submit a supplemental application containing additional information about their qualifications. An Applicant Review Panel will then review all applicants and select 120 of the most qualified people to interview.

From the pool of 120 individuals, 60 applicants (composed of 20 Republicans, 20 Democrats and 20 other or NPP) will then be presented to four legislative leaders for review. The final pool of applicants will then be sent to the State Auditor, who will randomly select the first eight commission members, and then those first eight commissioners will select the final six members for the commission.

The 14-member 2020 Commission will be established no later than August 15, 2020. The Commission will be comprised of five members who are Democrat, five members who are Republican, and four members who are either registered without, or “independent” of, any political party (decline-to-state or no party preference) or with another party.

More Information


Staff Contact: Martin R. Wilson
Employers Can Help Improve Skills Gap

California employers face major workforce challenges, especially a skills gap as high school-aged students enter the workforce without the tools necessary to succeed. One strategy to effectively prepare students for the real world is Linked Learning, which is an approach to education that integrates academics, high-quality career technical education, work-based learning and student supports to help them stay on track.

The program connects students with resources, individuals and local businesses to inspire their learning and skills development to succeed in a real-world setting. This spring, a team of graduate students at the USC Sol Price School of Public Policy analyzed high schools and school districts in California that have implemented the Linked Learning approach to K-12 education.

The study was sponsored by the California Foundation for Commerce and Education, a think tank affiliated with the California Chamber of Commerce.

Vital Lessons

The Price School study was conducted at 12 high schools in Central and Southern California with both on-site visits and interviews with Linked Learning schools and districts and industry stakeholders. The study found vital lessons for businesses and school districts:

- Work-based learning opportunities allow students to gain experience in a real-world setting and build their skills; however, typically the demand by students outpaces the number of available internship opportunities.
- Recruiting teachers is difficult because the pay differential with industry experts and teaching experience required are limiting factors.
- Variation exists in the needs of each district and/or pathway for establishing sound business and school partnerships.
- Communication is vital to building lasting connections between schools and local businesses. Implementing career pathway advisory boards allows for direct communication between the groups.
- Post-graduation data is crucial to analyzing how effective the Linked Learning approach is; yet this data is often hard to come by.

Building Connections

The Price School study concludes that building strong connections between districts and businesses is of top importance to create new and relevant opportunities for students.

Additionally, developing regional partnerships between businesses and school districts helps create a small business-oriented approach that connects students to local companies in their area.

Other studies have demonstrated the virtuous connection between Linked Learning and student outcomes. According to the James Irvine Foundation, “Improvement in measures of Linked Learning pathway student outcomes over traditional students include higher high school graduation rates, greater postsecondary enrollment, and increased income after high school.”

The Price School study also addressed the current issues California students face in meeting educational state standards, with information from the Public Policy Institute of California and the Legislative Analyst’s Office. “Although high school graduation rates in California have risen steadily, fewer than half of K-12 students meet state reading and math standards.” There is also wide variation among the performance and achievement among groups of students.

Student Data Is Key

When it comes to tracking the outcomes of students integrated into the Linked Learning pathway, the study found the business community was better equipped to help students if the students’ data was shared.

“The business community responds very well to school districts that share student data with them; employers seek to make data-driven decisions.” Similarly, the study found in Porterville and San Bernardino, business leaders acknowledged that data was useful to “adapt their recruitment strategies and better prepare for future skills gaps.”

With real metrics on students’ performance, local businesses could better understand how to tailor their engagement with school districts to benefit the students and help them develop personal growth.

The study noted that “Governor Newsom proposed a budget that included $350,000 to merge existing educational data systems and an additional $10 million to plan and develop a longitudinal data system to track K-12 students.”

Better data tracking systems will provide more information on the effects of Linked Learning on students’ education. With the current lack of available data on post-grad students, making workforce-based information accessible and available in new data systems will allow researchers to more adequately track the impact of the Linked Learning program.

More Information


It was authored by USC Price School Practicum students Corey Hashida, Jennifer Lovett, Wenjun Shen and Wesley Smith.

Contact: Loren Kaye, Michelle Brandabur
Job Killer Bill Threatens Water Supply Reliability

From Page 1

and thereby remove all industry opposition. Unfortunately, the amendments have not been taken.

Citing similar reasons, others opposing SB 1 unless it is amended are water providers belonging to the State Water Contractors, six counties in Central California (Fresno, Kings, Madera, Merced, Stanislaus and Tulare), and the Metropolitan Water District of Southern California.

Unresolved Issues

Although the author has accepted some of the amendments to address the CalChamber and coalition concerns, the majority and most significant problems of the bill remain unresolved. Those flaws include the following:

• SB 1 undermines the State Water Project, Central Valley Project and voluntary water flow agreements by removing the ability of the state Department of Fish and Wildlife to apply new science and adaptive management practices, thereby dismantling years of negotiations.

The bill’s rigid approach to water management runs counter to the collaborative, science-based approach developed during the current and previous state administrations to enhance fish and wildlife habitat throughout California and provide reliable water supplies to communities.

A coalition of federal, state and local agencies, conservation groups and other stakeholders have been involved in developing the collaborative approach.

The voluntary water flow agreements are vital to protecting water supply reliability and improving the health of California waterways.

• SB 1’s overly broad mandate will have significant fiscal impacts for California agencies, estimated to be in the tens of millions of dollars annually.

California environmental and labor laws and regulations are some of the most protective standards in the nation. Where California laws already exceed federal standards, or where California law does not rely or reference federal standards, any rollbacks to those federal standards have no practical effect on California’s human health or the environment.

State agencies should focus their limited resources analyzing only federal standards that actually have an impact on state laws and regulations.

• SB 1 attempts to lock in place federal standards “in existence” at a certain date if any changes to federal standards are “less protective.” The term “less protective” is undefined, open to numerous interpretations in the environmental context, and as ambiguous as the “less stringent” standard recently amended out of the bill.

Therefore, SB 1 will produce significant unintended consequences.

• SB 1 subjects state and local agencies to lawsuits, including when reasonable persons can differ as to whether a standard/requirement is “less protective” than existing federal law. The bill also encourages such lawsuits through a one-sided attorneys’ fees provision and vague/ambiguous language.

• SB 1 violates the “single subject” requirement of the California Constitution by including three comprehensive federal labor standards and worker protection statutes in a bill already addressing complex federal environmental laws and regulations.

Any one of the federal environmental laws referenced under SB 1 could be an expansive bill on its own.

• Rulemaking pursuant to SB 1 will be permanent and without public notice and comment to nongovernmental organizations, businesses, the public and even state and local agencies. The bill circumvents the California Administrative Procedure Act.

As currently drafted, SB 1 provides no remedy other than litigation.

• New amendments allow federal baseline standards to automatically be integrated into California law without any state agency oversight or rulemaking.

Action Needed

SB 1 is scheduled to be considered on April 18 by the Assembly Environmental Safety and Toxic Materials Committee.

The CalChamber is asking members to contact their Assembly representatives and members of the committee to urge them to support the coalition amendments and prevent the unintended negative consequences and litigation risks from SB 1.

An easy-to-edit sample letter is available on the CalChamber website.

Staff Contact: Adam Regele

#RespectWorks

Harassment Has NO PLACE In OUR WORKPLACE

Download your free resources at respectworks.calchamber.com.
Coalition-Backed Fixes to Privacy Law ‘Stayin’ Alive’

From Page 1

could lead to serious, unintended conse-
quenences. For example, an employee
accused of sexual harassment could ask a
business to delete complaints about them.
(Send a letter in support) *

* AB 846 (Burke; D-Inglewood/Low;
D-Campbell/Mullin; D-South San
Francisco) Clarifies access to customer
loyalty and rewards programs.

Under the CCPA, frequent flier miles,
hotel points, and other rewards programs
could be in jeopardy. AB 846 would
ensure loyalty and rewards programs can
continue by fixing language in the CCPA
that could make them unlawful. (Send a
letter in support)*

* AB 873 (Irwin; D-Thousand Oaks)
Clarifies the definition of personal
information.

The CCPA defines personal informa-
tion too broadly—as any information that
is “capable of being associated” with a
consumer or household. The breadth of
this definition creates an unreasonable
burden on businesses. For example, if
a customer makes a purchase in a store
and later asks the store for access to the
customer’s personal information, the
store could be required to search secu-
rity camera footage from the day the
customer appears on the film and to
exercise their privacy rights to delete data
or their right to opt out of the “sale” of
their personal information and unknow-
ingly find themselves unable to receive
information regarding necessary vehicle
repairs relating to warranty work or a
safety recall. This is a dangerous, unin-
tended consequence of the CCPA’s hasty
drafting, and AB 874 will fix it. (Send a
letter in support)*

* AB 1146 (Berman; D-Palo Alto)
Protects consumers’ access to vehicle
safety information.

Under the CCPA, consumers could
exercise their privacy rights to delete data
or their right to opt out of the “sale” of
their personal information and unknow-
ingly find themselves unable to receive
information regarding necessary vehicle
repairs relating to warranty work or a
safety recall. This is a dangerous, unin-
tended consequence of the CCPA’s hasty
drafting, and AB 1146 will fix it. (Send a
letter in support)*

* AB 1416 (Cooley; D-Rancho
Cordova) Ensure businesses can
continue to prevent identity theft and
other crimes.

The CCPA unintentionally under-
mines businesses’ efforts to protect
consumers from identity theft and to
prevent other crimes, like money launder-
ing or human trafficking.

Additionally, the CCPA unintention-
ally places restrictions on the sale of data
to governmental entities that will have
a profoundly negative impact on many
crucial government services, including
reuniting foster youth with relatives, as
well as fraud prevention in governmental
benefits programs. AB 1416 fixes these
problems. (Send a letter in support)*

* AB 1564 (Berman; D-Palo Alto)
Removes unreasonable burden on
small businesses.

AB 1564 would remove the require-
ment that all businesses must staff a
1-800 number for consumers to call
and exercise their CCPA rights. This fix
is crucial for small businesses who do
not have the resources to staff a 1-800
number. (Send a letter in support)*

Challenge

Although the language in almost every
single one of these bills has been signifi-
cantly narrowed through negotiations
with privacy advocates and committees,
we still face some opposition to all but
one of them (AB 874). That will present
a challenge for us as we approach what
may be our highest hurdle—the Senate
Judiciary Committee. The committee
chair, Senator Hannah-Beth Jackson, has
indicated she may not be open to any of
the business community’s proposed fixes
to the CCPA.

Now, it’s alright, it’s OK—but you
can’t look the other way. We’ve gotta
make sure these bills ain’t goin’ nowhere.
Somebody help me, please!

To keep these bills stayin’ alive—
please sign your business up for our
Make Privacy Work coalition and
contact your legislator. You can find more
information at https://makeprivacy.work.

Staff Contact: Sarah Boot

*See capitolinsider.calchamber.com blog
post for links to sample letters.
Save 20% or More on Mandatory July 1 Poster Updates

On July 1, 2019, minimum wage increases take effect in 12 California localities. Updated minimum wage postings are required at every applicable workplace or job site on that date. Where your employees work affects which updated posters apply to you. Cities are enforcing their local ordinances!

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