

ALERT

CalChamber President Announces Plan to Retire



This week, CalChamber President and CEO Allan Zarembeg informed the CalChamber Board of Directors and the organization's staff of his planned

retirement at the end of 2021.

A year ago, Zarembeg notified the CalChamber Executive Committee of his intention to retire on December 31.

Upon making his announcement, Zarembeg provided the following comment: "I am honored to have had the opportunity to serve the members and directors of CalChamber for so many years. It has been an honor and a privilege to be part of California's business and political development, working with California's business leaders to establish a strategic plan for economic success."

Donna Lucas, chair of the CalChamber

Board of Directors, offered the following comment regarding Zarembeg's retirement announcement:

"CalChamber and Allan Zarembeg have been one and the same for more than two decades. His effectiveness in representing California's business community is legendary and he created models for success that are now common practice.

"As CalChamber moves into a new chapter, I am confident the organization is poised for continued success and will be unmatched in the effectiveness of both their advocacy work and compliance efforts."

Zarembeg served in the role of president and CEO of CalChamber for 23 years beginning in 1998 after six years as executive vice president and head of CalChamber's legislative advocacy program.

Before joining CalChamber, Zarembeg served as chief legislative advisor to and advocate for Governors George Deukmejian and Pete Wilson. He also served as a captain and flight navigator on a KC-135 jet air refueling tanker while in the U.S. Air Force from 1970 to 1975.

Legislators Weighing Tough Bills in Closing Weeks of Session



OPPOSE

California Chamber of Commerce **opposed** bills harmful to the economic well-being of employers, employees and the state remain in play with three

weeks to go before the legislative recess.

The legislation includes proposals to limit technological development; force unionization on agricultural employees; interfere with the ability of hospitality employers to contract for services; hurt nonunionized workers in the garment industry; prevent thorough financial analysis of Cal/OSHA regulations; and upend the process that has allowed voters to serve as a check on legislative decisions for more than 100 years.

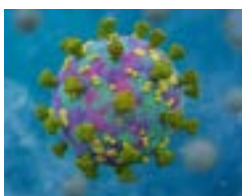
In Senate

Under consideration in the Senate are:

- **AB 1395 (Muratsuchi; D-Torrance)**, proposing to limit the technology necessary to reach our carbon neutrality goals by more than doubling our state goal while also imposing limits on technology-assisted carbon reductions, sending market signal to not develop carbon removal or storage technology. The CalChamber advocates setting the bill aside until the results of the 2022 California Air Resources Board (CARB)

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Small Business COVID-19 Relief Grant: New Funding Round to Open in September



New applicants for California's Small Business COVID-19 Relief Grant Program will be able to apply in the fund-

ing round opening on September 9 and continuing through September 30.

The program provides grants of \$5,000 to \$25,000 to small businesses

hurt by the pandemic. Businesses are eligible based on annual revenue as documented in their most recent tax return.

New funding rounds were made possible by an additional **\$1.5 billion in funding** authorized in a relief package signed by the Governor. Total funding for the program to date comes to \$4 billion.

Until September 8, the program is processing waitlisted applicants from

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Labor Law Corner

Interactive Process Key to Accommodating Employee with Disability



Dana Leisinger
HR Adviser

We have a new hire who, after being hired, disclosed a physical disability. She indicated that we need to accommodate her, and I have since read a little about how to handle this, but I'm not sure how to proceed.

Both state and federal laws protect individuals with disabilities. Employers are required to make a reasonable accommodation when an employee discloses they have a disability, and not all disabilities are obvious.

Interactive Process

A key part of the reasonable accommodation is the “interactive process.” This process requires both parties, employer and employee, to sit down and discuss ways to adjust the job duties so as to allow the disabled individual to do their job.

Interactive means the employee is equally responsible for coming up with ideas and solutions to enable them to perform the job duties. This conversation enables the employer to gather information and work with the employee to explore accommodations and alternative ways for the individual to perform the job.

The disabled employee typically has unique knowledge of their limitations, and can provide ideas. In addition, the employee’s doctor often can provide helpful input.

The *HR California* website, presented by CalChamber, offers a “Reasonable Accommodation and Interactive Process” checklist and a form titled “Reasonable Accommodation Request.” This form (also available in Spanish) can guide the employer through collecting the informa-

tion needed for the reasonable accommodation, including the medical information.

It is critical to keep the medical information private, and it should be kept in the employee’s medical file, not the personnel file.

Good Records

Key to the accommodation process is having good records, and taking notes of any conversations and ideas proposed by both sides. There are times, however, that regardless of any efforts, there will be no way to accommodate the disabled employee. This is why the records need to reflect the efforts made by the employer as a defense against any claim of disability discrimination.

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.

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CalChamber-Sponsored Seminars/Trade Shows

More at www.calchamber.com/events.

Business Resources

Proposition 65 Annual Conference. Prop. 65 Clearinghouse. September 27, Online. (415) 391-9808.

International Trade

SBA Export Finance Program. U.S. Small Business Administration. August 24, Online. (800) 827-5722.

An Overview of the Foreign Trade Zone Program and Port of Long Beach Update. Foreign Trade Association. August 25, Online. (888) 223-6459.

U.S.-Ecuador Bilateral Relations Post-COVID: Build Back Better Together. Institute of the Americas. September 9–10, Online. (858) 964-1707.

EXIM 2021 Virtual Annual Conference. Export-Import Bank of the United States. September 21–23, Online. (800) 565-EXIM (3946).

Expo Dubai 2021. Expo 2020 Dubai UAE. October 1, 2021–March 31, 2022, Dubai, United Arab Emirates. (+971) 800 EXPO (3976).

Build Expo Greece 2021. Build Expo.

October 15–17, Athens, Greece. +30 211 180 1801.

2021 Select LA Investment Summit.

World Trade Center Los Angeles and Los Angeles County Economic Development Corporation. October 20–21, Los Angeles. (213) 236-4853.

Israel Defense Expo. Israel Defense & HLS Expo and Israeli Chamber of Commerce. November 9–11, Tel Aviv, Israel. +972-3-691-4564 x 300.

Smart City Expo World Congress 2021. U.S. Commercial Service. November 16–18, Barcelona, Spain. (704) 248-6976.

12th World Chambers Congress: Dubai 2021. International Chamber of Commerce World Chambers Federation and Dubai Chamber of Commerce & Industry. November 23–25, Dubai, United Arab Emirates. worldchamber-scongress@iccwbo.org.

Athens International Tourism & Culture Expo 2021. Greek Ministry of Tourism and Greece 2021 Committee. November 25–27, Athens, Greece. +30 210-614 1164.

The Workplace

COVID-19 Jobs Climate Best Practices



In Episode 128 of The Workplace podcast, CalChamber Executive Vice President and General Counsel Erika Frank, and Katie

McConnell Olson, founder and CEO of Hire Education Consulting Group, discuss current recruitment challenges and share best practices for hiring in today's jobs climate.

In today's current hiring environment, depending on what one reads, it's either "The Great Resignation" or "The Difficult Find," Frank tells podcast listeners.

Recruitment challenges abound in today's jobs climate, Olson says. Her firm, for example, was previously hiring about 10 candidates a month, but this month the firm will be hiring only two people.

Not only is the firm having a difficult time finding candidates, but it is also taking a really long time for people to respond to the firm. Additionally, the firm is seeing onboarding times drag out longer. While it used to take 30–45 days for a new hire to start their job, it is now taking 65–90 days.

Why is that, Frank asks?

Olson thinks that part of the reason is that people are tired of the chaos COVID-19 has produced. Many people are remodeling their homes or changing their work-life balance perspective. Many people don't want to change jobs

right now, so the pool of people who are actively looking for a job is smaller.

Workers Want Flexibility

For companies seeking to hire higher salary individuals or experienced professionals, flexibility is the name of the game.

After having employees work 100% from home, companies are starting to ask workers to come back into the office but are seeing resistance. Olson says she has not seen it turn into a "Great Resignation" just yet, but perhaps that is looming.

Flexibility, she points out, has become so much more important than ever before. Before the COVID-19 pandemic, people would lose 3–4 hours of their day getting ready for work and commuting to the office. After having that time integrated back into their day, many people are deciding that they don't want to give that up.

"Migrating to at least a hybrid schedule of three days in office, two days remote is going to be a non-negotiable or these hiring managers are going to find that their opportunities are obsolete," Olson says.

Working 100% remotely doesn't appeal to everyone, however, and that is why companies should offer flexibility, Olson suggests.

Still, she says, the market for candidates interested in a strict 8:30 a.m. to 5 p.m. job is slim.

Moreover, a job candidate may perceive the lack of offering work flexibility as a red flag. The company may be perceived as having a control-oriented

culture or not being technologically savvy, Olson explains.

Recruitment Tips

While money remains a motivating factor for prospective candidates, it is not the leading indicator, Olson says.

When trying to compete in today's market, an employer should sit down, grab a piece of paper and write down their company's secret sauce. Why do people like to work at your company? If you're a construction company, for example, what are some cool projects your company has done?

Olson says companies should figure out what makes their business stand out, why current employees stay and promote that.

Short-Term Predictions

As kids return to school in the coming months, Olson expects some stability to be restored and expects an uptick in available candidates. She also thinks that more people will give entrepreneurship a try.

Olson says most offices will likely adopt a hybrid work model and no longer offer 100% remote work arrangements.

Lastly, she expects a rise in salaries. Already, markets across the country are seeing salaries explode due to the talent scarcity. In the last 30 days alone, Olson has seen a 15%–20% increase in salaries.

"It's been so wild," she tells Frank.



CalChamber Member Feedback

"The CalChamber has served as the leading business advocate to promote pro-business legislation at the State Capitol."

Dorene C. Dominguez
Chairman and Chief Executive Officer
Vanir Group of Companies, Inc.

AmCham Australia

California Innovation Ecosystem Central to Future Prosperity for Australia, U.S.



The following answers to questions posed by the California Chamber of Commerce are from April Palmerlee, chief executive officer of the American Chamber of Commerce in Australia.

AmCham Australia

Please tell us a bit about the American Chamber of Commerce in Australia, services you provide and activities.

The American Chamber of Commerce in Australia is similar to the other 120 AmChams around the world. We were established to promote two-way trade and investment between our country and the United States.

Having been operating all across Australia for 60 years, AmCham Australia is uniquely positioned to provide networking, access, advocacy, visibility and information for its corporate members. AmCham Australia members comprise both U.S.-based multinationals as well as Australian companies. AmCham Australia members include massive companies with hundreds of thousands of employees worldwide to small and family-owned businesses. It's a huge variety, which is what makes the networking so valuable.

AmCham Australia has a strong and vibrant national board of directors as well as councils of governors made up of the leading businesspeople in five states around the country.

We are best known for our business luncheon series, where we offer the stage to a leading figure from the private sector or government. Speaking to hundreds of AmCham members and their guests over lunch is considered an ideal way to reach business leaders at a time when they are receptive to important messages.

AmCham Australia also has a renowned AmCham Global Leadership Academy for high potential talent. Through this year-long program in six

locations around the country, the next generation of leaders is making connections, learning about differences in leadership across cultures, and expanding their knowledge base.

Another one of our most popular programs is our ongoing policy committee work. Bringing together leaders from companies across key sectors, AmCham holds regular roundtables, makes parliamentary submissions, and leads door knocks to the national and state capitals.



April Palmerlee, Chief Executive Officer, AmCham Australia

Australia-California Relations

How do you support the unique relationship between Australia and California?

California is a key market and destination for Australians. Ever since the Gold Rush of the mid-19th century, Australians have flocked to California to seek their fortunes. Today's entrepreneurs may arrive with a laptop and bitcoin rather than picks and gold pans, but the idea that California holds the keys to Australia's future prosperity remains constant.

Recently, AmCham Australia led a delegation of CEOs, chairmen and nonexecutive directors on an Innovation Mission to Silicon Valley, San Francisco and Seattle. The group of 30 high-level leaders visited cutting-edge companies,

met with innovators, entrepreneurs and investors; spoke to policymakers and diplomats; and explored the innovation ecosystem that makes California unique.

It was during this mission that AmCham announced a project with the Bay Area Council to produce a report on the future of Australia-U.S. innovation collaboration and investment. This report was launched during the pandemic, so we were not able to roll it out in person as planned, but the content has been widely distributed and quoted.

COVID-19 Impact

What is the economic impact of COVID-19 on businesses in Australia?

Like most countries, Australia was hit by the government shutdown to "flatten the curve," or, in other words, to slow the spread of COVID-19.

The ensuing fiscal and financial support provided by the government has been massive. However, the strong prices for iron ore and other commodities from Australia has kept the economy buoyant.

Ironically, coal prices are at a record high, but Australia's trade difficulties with China have meant that Australian coal producers have been unable to benefit from increased prices and demand in China.

U.S.-Australia Trade Agreement

What does the U.S.-Australia Trade Agreement mean for Australia?

For more than 15 years, the Australia-U.S. Free Trade Agreement has been the cornerstone for increased bilateral trade and investment. It also was the foundation upon which the specialised E3 visa was set up. Every year over 10,000 skilled working visas are put aside specifically for Australians to live and work in the United States. This has been a great benefit for both countries.

In the future, we would like to see the United States consider discussing revising the tax policies that prevent the recognition of the superannuation of Australians living in the U.S. from being recognized as tax-exempt pension funds.

Staff Contact: Susanne T. Stirling

Legislators Weighing Tough Bills in Closing Weeks of Session

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Scoping Plan are available, allowing evaluation of what a post-2030 climate goal might look like. CARB held the third of a series of technical workshops on the Scoping Plan this week.

AB 1395 was sent to the Senate Appropriations Committee Suspense File this week pending a review of its fiscal impacts.

• **AB 616 (Stone; D-Scotts Valley)**, a job killer that limits an employee's ability to independently and privately vote for unionization in the workplace, by essentially eliminating a secret ballot election and replacing it with the submission of representation cards signed by over 50% of the employees, which leaves employees susceptible to coercion and manipulation by labor organizations. Also, unfairly limits an employer's ability to challenge any order by the Agricultural Labor Relations Board (ALRB) by forcing employers to post an unreasonable bond, and then limits an employee's ability to decertify a union, by forcing them to go through the ballot election process instead of submission of representation cards. Also includes an unnecessary presumption of retaliation that is effectively unlimited in scope because it would apply for the duration of an election campaign, which could last for a year or more.

AB 616 awaits action by the full Senate.

• **AB 1074 (Lorena Gonzalez; D-San Diego)**, prior to amendments, would have imposed an onerous and stringent process that is unlimited in time for specific employers to return employees to the workforce for specified industries, including hotels and restaurants that have been disproportionately impacted by this pandemic, which would have delayed rehiring and employers' ability to reopen

after being forced to close or reduce operations due to COVID-19. Job killer tag removed due to April 19, 2021 amendments eliminating COVID-19 related recall provisions from the bill.

AB 1074 still has the potential to cause further harm to the hospitality industry by forcing a new service provider for a hotel to hire the previous contracted provider's employees and navigate statutory barriers erected around operational positions, staffing redundancies, technical abilities, and staffs' general ability to meet the hotel's needs. The mandate would increase operating costs, threaten small businesses, and represent a significant shift in how the law approaches contracting.

The bill was sent along for consideration by the entire Senate this week under a rule that allows the fiscal hearing to be skipped if the Senate Appropriations chair determines the state costs of a proposal are not significant.

In Assembly

• **SB 62 (Durazo; D-Los Angeles)**, a job killer that significantly increases the burden on nonunionized employers in the garment manufacturing industry in California, by eliminating piece rate as a method of payment even though it can benefit the employee, expanding joint and several liability for any wage violations to the entire supply chain, and shifting the evidentiary standards in a Labor Commissioner hearing to limit the ability for an employer to defend against an alleged wage violation. These additional requirements will encourage companies to contract with manufacturers outside of California, thereby limiting the demand and workforce of garment manufacturers in California.

SB 62 was sent to the Assembly Appropriations Committee Suspense File pending a review of its fiscal impacts on July 14, right before the Legislature began its summer recess.

• **SB 410 (Leyva; D-Chino)** specifically exempts Cal/OSHA regulations from the Standardized Regulatory Impact Analysis (SRIA) process, which provides thorough economic analysis and Department of Finance oversight for proposed regulations and is presently applicable to all regulations with a financial impact of more than \$50 million.

The bill awaits action by the entire Assembly.

Elections Shift

• **SCA 1 (Hertzberg; D-Van Nuys)** will change the California Constitution to swap the meaning of a "yes" vote and a "no" vote, creating confusion to the public and voters and adding superfluous legalese to the ballot.

Currently, a referendum that qualifies for the ballot repeals a law at issue if there are more "no" votes cast than "yes" votes. SCA 1 seeks to flip this understanding, and provide that a referendum is successful only if it receives more "yes" votes than "no." There is no evidence that the current process has confused voters.

Between 1912 and 2020, according to the Secretary of State, 52 referenda qualified for the ballot. Voters approved 21 referenda (40%) and rejected 30 (58%).

SCA 1 was placed on the Senate Appropriations Suspense File pending a review of its fiscal impacts on July 15, just before the Legislature began its summer recess.

Small Business COVID-19 Relief Grant: New Funding Round to Open

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some previous rounds. Waitlisted applicants do not need to reapply.

Nonprofit cultural institutions of any revenue size may apply between August 27 and September 8. Eligible nonprofit cultural institutions that already applied in certain rounds must reapply. Grants will be available only to nonprofit cultural institutions that did not receive funding in any previous rounds.

The California Office of the Small Business Advocate (CalOSBA), part of the Governor's Office of Business and Economic Development (GO-Biz), is administering the program through a competitive bid award to its intermediary, Lendistry, and a statewide network of community-based lenders and partners.

Many state-supported small business centers, which prioritize expanding technical assistance to underserved business

groups, also are available to help small businesses with the application process in multiple languages and formats.

More information on grant requirements and eligibility, along with links to application tips and webinars, is available at CAReliefGrant.com. The page also includes links to find loan partners by county or language.

In Memoriam: Former CalChamber Chair Fritz Hitchcock



Frederick E. "Fritz" Hitchcock

Frederick E. "Fritz" Hitchcock, 2013 chair of the California Chamber of Commerce Board of Directors and CEO of Hitchcock Automotive Resources, passed away

on August 14 at the age of 81.

Hitchcock served on the CalChamber Board from January 2007 to December 2016. His Southern California auto dealerships sold Asian (Toyota/Scion) and European (BMW/MINI) brands.

"Fritz was an energetic advocate for the business community in general and car dealers in particular. He led by example and encouraged his colleagues to get involved in influencing government

policies at all levels," said CalChamber President and CEO Allan Zarembeg.

Free trade and lower tariffs on imported cars were among the causes Hitchcock favored.

Hitchcock once chaired the dealer-member American International Automobile Dealers Association. The association renamed its Grassroots Leadership Award in his honor and named him the first recipient in 2016.

He was a co-founder of the Automotive Free International Trade Political Action Committee. He also served as president of the California New Car Dealers Association and chairman of the Toyota and Mazda National Dealer Councils.

A native of Iowa, Hitchcock came to California to watch the Iowa Hawkeyes play in the Rose Bowl in 1960 when he was a junior at the University of Iowa and decided he wanted to move to Southern California.

"As I looked around, there was this

whole sense of optimism in the air here," he told the *Los Angeles Business Journal* in a 2013 interview. On Labor Day 1960, he and his college sweetheart arrived in Long Beach as newlyweds.

He began his automotive career as a management trainee with Chrysler's Dodge Division in Anaheim, acquired his first new auto dealership selling Fords in 1969, and began selling Toyotas in 1976.

In 2019, Hitchcock Automotive Resources ranked No. 147 on the *Car News* list of the 150 largest dealership groups in the United States.

His personal awards include the 1988 and 1995 All-Star Dealer Award from *Sports Illustrated* magazine, the 1998 and 2011 Quality Dealer Award from *Time* magazine for the state of California, and the 2010 Community Service Award from the San Gabriel Valley Economic Partnership.

His scholarship fund has provided debt-free college education to more than 97 people, including two doctors.

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"The Labor Law Helpline advisers always come through when I need them. Don't ever stop offering this service to Preferred Members."

Kat Lotz
CFO, Jewel Box Platinum, Inc.
Preferred Member Since 2001

LEARN MORE at calchamber.com/preferred or call (800) 331-8877.