

ALERT

Tejon Ranch CEO to Chair CalChamber Board in 2023



Gregory S. Bielli

Gregory S. Bielli, president and CEO of the Tejon Ranch Company, has been elected as 2023 chair of the California Chamber of Commerce Board of Directors.

“California’s economy continues to grow, and a large part of that growth can be attributed to the continued efforts of the CalChamber,” said Bielli. “However, California does face great challenges with issues such as a lack of housing, water shortages, energy supply

and costs, income inequality, the high cost of living, and other factors which make it difficult for most middle- and lower-income families to thrive. These are our residents and employees who play a major role in the success of California.

“CalChamber has long been a leader in advocating for California businesses, both major employers and small businesses alike, and that will continue in 2023. We must address the issues and policies that, for most businesses and employers, only lead to increased cost and less competitiveness.

“It is imperative that the state removes the obstacles hindering the ability of companies to invest in our economy —

See Tejon Ranch: Page 4

Economic Uncertainty, Need to Improve Business Climate Top of Mind for California Voters



California voters are readying themselves to face lean economic times, and

want state elected leaders to do likewise, according to the latest CalChamber poll, the People’s Voice, 2022.

By a 65% to 35% margin, voters believe California is in a recession. When compared to a year ago, voters by a 2-to-1 margin believe their households’ finances and current economic situation are worse.

People’s Voice, 2022

- Crime
- Drought/Climate Change
- Prop. 13/Labor Litigation

On a slightly more optimistic note, looking forward, a slim majority (51%) of voters think the economy will be better a year from now, and a majority (54%) say that their own economic situation will likely improve over the next year.

But for now, Californians are tightening their belts.

Three out of four voters say rising prices have caused them and their family to adjust spending habits a lot (35%) or

See Poll: Page 3

Breakfast Highlights Opportunities in India



A breakfast meeting of the CalChamber Council for International Trade gives attendees a chance to learn more about trade and investment opportunities in India. From left are Greg Bielli, Tejon Ranch Company, 2023 CalChamber chair; Michelle Wroan, KPMG LLP; Ambassador Atul Keshap, U.S.-India Business Council; Jennifer Haley, Kern Energy, incoming chair of the CalChamber Council for International Trade; Stefanie Kane, PricewaterhouseCoopers; Ambassador Dr. Nagendra Prasad, Consul General of India in San Francisco; and Kailesh Karavadra, Ernst & Young LLP, 2022 CalChamber chair. [See story on Page 5.](#)

Inside

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Labor Law Corner

State, Local Minimum Wage Rates Increase on January 1, 2023



Sarah Woolston
Employment Law
Subject Matter Expert

What are the minimum wage increases I need to know about for the new year?

Many California cities will ring in 2023 by increasing their local minimum wage rates. Employers should confirm what cities their employees work in to determine if any minimum wage ordinances apply.

State Minimum Wage Reminder

Beginning January 1, 2023, the California state minimum wage will be \$15.50 per hour for all employers, regardless of size. This state minimum wage

rate is also used to determine the salary threshold for the administrative, executive and professional exemptions — the threshold is two times the statewide minimum wage. This means, for 2023, you will need to ensure all exempt employees earn at least \$64,480 per year.

In jurisdictions without a local minimum wage ordinance or with a local wage rate that is lower than the California state minimum wage, the state minimum wage rate will apply.

2023 Local Minimum Wage Rate Increases

These local minimum wage rate increases go into effect on January 1, 2023:

- Belmont: \$16.75/hour;
- Burlingame: \$16.47/hour;
- Cupertino: \$17.20/hour;
- Daly City: \$16.07/hour;
- East Palo Alto: \$16.50/hour;
- El Cerrito: \$17.35/hour;
- Foster City: \$16.50/hour;
- Half Moon Bay: \$16.45/hour;
- Hayward: \$16.34/hour for employers with 26 or more employees; \$15.50/hour for employers with 25 or fewer employees;
- Los Altos: \$17.20/hour;
- Menlo Park: \$16.20/hour;
- Mountain View: \$18.15/hour;
- Novato: \$16.32/hour for employers

with 100 or more employees; \$16.07/hour for employers with 26–99 employees; \$15.53/hour for employers with 1–25 employees;

- Oakland: \$15.97/hour;
- Palo Alto: \$17.25/hour;
- Petaluma: \$17.06/hour;
- Redwood City: \$17/hour;
- Richmond: \$16.17/hour;
- San Carlos: \$16.32/hour;
- San Diego (city): \$16.30/hour;
- San Jose: \$17/hour;
- San Mateo (city): \$16.75/hour;
- Santa Clara: \$17.20/hour;
- Santa Rosa: \$17.06/hour;
- Sonoma (city): \$17/hour for employers with 26 or more employees; \$16/hour for employers with 25 or fewer employees;
- South San Francisco: \$16.70/hour;
- Sunnyvale: \$17.95/hour;
- West Hollywood: \$17.50/hour for employers with 50 or more employees; \$17/hour for employers with fewer than 50 employees.

San Leandro

San Leandro's minimum wage has been \$15 per hour since July 1, 2020, with no scheduled increases thereafter. Their ordinance includes a provision that if the California state minimum wage

See State, Local Minimum: Page 14

California Chamber Officers

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Gregory S. Bielli
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Janet A. Liang
Second Vice Chair

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CalChamber-Sponsored Seminars/Trade Shows

More at www.calchamber.com/events.

Labor and Employment

2023 Employment Law Updates.

CalChamber. January 6, 2023 – SOLD OUT; January 10, 2023 – SOLD OUT; January 12, 2023, Sacramento; January 19, 2023, Costa Mesa; January 24, 2023 – SOLD OUT; January 26, 2023, Online. (800) 331-8877.

HR Boot Camp Virtual Seminar.

CalChamber. March 9–10, 2023, Online. (800) 331-8877.

International Trade

9th Annual Global Trade Awards Gala.

Women in International Trade, Los Angeles. January 19, 2023. (213) 545-6479.

8th Annual State of the Port of Los Angeles. Pacific Merchant Shipping Association. January 19, 2023, Los Angeles

Cruise Terminal. (510) 987-5000.

China Clean Beauty Trade Mission. U.S. Commercial Service. February 21–22, 2023, Online.

Exporting 101: Pathways to Developing International Markets. California Centers for International Trade Development. February 22, 2023, Online. (559) 243-7280.

Avalon 2023 California Pavilion.

Governor's Office of Business and Economic Development. (GO-Biz). February 28–March 5, 2023, Avalon,

See CalChamber-Sponsored: Page 14

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January 13, 2023

Voters' Unease on Crime, Homelessness Colors Views of Future



Based on the CalChamber poll's findings, it is safe to say that economic concerns are

at the root of voter anxiety in California. But fears about the breakdown of civil order in areas like crime and homelessness also are contributing to voters' unease about the how their future might unfold in California.

Californians are pessimistic about the direction of the country, with 62% saying it's headed down the wrong track, and only 38% saying the United States is

headed in the right direction. Voters are split on California, however, with a slight majority (52%) saying the state is headed in the right direction.

Voters' pessimism appears to be driven by how they see their own prospects. When asked about the American Dream — that if you work hard, you'll get ahead — a majority (55%) responded that this once held true but does not anymore, while 13% say this has never held true. Only a third of Californians say that the American Dream still holds true; this sentiment is down by 16 points since 2018.

Just as sobering, when parents with kids living at home (about a quarter of the sample) were asked if their children would

have a better future if they left California, fully 60% agreed, half of them strongly. When all voters were asked if their family would have a better future if they left California, a majority (56%) agreed, an eight-point increase since 2021.

Unaddressed Concerns

What are the most important, but unaddressed, concerns of Californians? More than 85% of voters said that elected officials in Sacramento are not spending enough time on the following issues:

- Making California more affordable;
- Expanding the state's fresh water supply;

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Poll: Economic Uncertainty, Business Climate Top of Mind for Voters

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some (40%). Nearly all voters (93%) have noticed higher prices for groceries, with higher gasoline prices (87%) also top of mind, followed by eating out at restaurants/take out (81%) and utility costs (68%).

Business Climate

Voters point to improving California's business climate as a way through the economic doldrums.

A whopping 87% of voters believe that California needs to do more to attract and retain businesses in the state, while 63% go even further, agreeing that California has fostered an unfriendly business climate that discourages new high-quality jobs and opportunities.

These concerns are shared widely among demographic groups and regions, but are especially strong with younger voters and residents of the Inland Empire and Central Valley.

Nearly 4 out of 5 voters complained that state elected officials were not spending enough time encouraging economic development to grow new businesses in California or keeping major employers from leaving California and going to another state.

Digging deeper, voters were informed about a study from Stanford University's Hoover Institution, which reported that in 2021, California business headquarters left the state at twice the rate of 2020 and 2019, and at three times the rate of 2018. Reasons for this include high tax rates, high labor costs, high living costs, high utility and fuel costs, as well as the complicated regulatory environment at the state and local level.

When asked how important is it that the Governor and the Legislature address this issue, nearly half of voters (48%) said it was extremely important and another third said it very important.

Following up, voters were asked whether the Governor and the Legislature should be required, before enacting any new law, to report on its business impact, specifically whether the law will drive businesses and jobs to leave California. Nearly 90% agree with that policy, half of them strongly.

Methodology

The CalChamber poll was conducted by Bold Decision and Pierrepont Consulting and Analytics with 1,000 online interviews of California 2022 general election voters from November 12–14, 2022. The margin of error for this study is +/- 3.1% at the 95% confidence level and larger for subgroups. This is the eighth year CalChamber has published The People's Voice survey.



CalChamber Member Feedback

"CalChamber's clout in Sacramento makes them a go-to advocate to effectively represent California's diverse and hardworking job creators."

Rudy B. Medina
President, Southern California Market
U.S. Bank

Tejon Ranch CEO to Chair CalChamber Board in 2023

From Page 1

for example, PAGA [Private Attorneys General Act] — and adopts policies that will promote broad-based business and economic growth. The future of California depends on it, not only for our business success, but also for our employees and their families who call California home.”

Serving with Bielli as 2023 officers of the CalChamber Board are:

- **First Vice Chair Janet A. Liang**, executive vice president, group president and COO, care delivery, Kaiser Foundation Health Plan, Inc. and Hospitals;
- **Second Vice Chair Maryam S. Brown**, president, Southern California Gas Company; and
- **Third Vice Chair John A. Stowell**, senior vice president, The Walt Disney Company.

Greg Bielli

Bielli joined Tejon Ranch Co. in September 2013 as president and COO and assumed the office of president and CEO on December 18, 2013. Bielli also sits on the Tejon Ranch Co. corporate board as a director.

He has more than 30 years’ experience in real estate, land acquisition, development and financing. He joined Tejon Ranch following work with Newland Communities, one of the largest and most successful master-planned community developers in the country. As president of Newland’s western region, Bielli was responsible for overseeing management of all operational aspects of Newland’s portfolio of master-planned residential, commercial, and retail real estate projects in Arizona, California, and Colorado. He also was responsible for growth and acquisitions in the region.

Before joining Newland, Bielli was executive vice president for development for Jupiter, Florida-based Medalist Developments, where he oversaw three master-planned communities. Before that, he served as president of MCO Properties in Fountain Hills, Arizona.

In addition to his CalChamber lead-

2023 Officers of CalChamber Board of Directors



Janet A. Liang



Maryam S. Brown



John A. Stowell

2023 At-Large Members of CalChamber Executive Committee



John F. Boyle



Sima Patel



Stuart P. Woolf

ership role, Bielli co-chairs the Southern California Leadership Council, and is a product council member in the Urban Land Institute (ULI.) He served on the Scottsdale City Council from 1990 to 1998 and was past district council chair for ULI Arizona.

Bielli earned a bachelor’s degree in political science from the University of Arizona.

Executive Committee

The CalChamber Board also approved three directors as at-large members of the CalChamber Executive Committee:

- **John F. Boyle**, president and CEO, Automobile Club of Southern California;
- **Sima Patel**, CEO, Ridgemont Hospitality;

- **Stuart P. Woolf**, president and CEO, Woolf Farming and Processing.

In addition to the at-large members and current officers, the Executive Committee includes three past chairs of the CalChamber Board: **Kailesh Karavadra**, partner for Ernst & Young LLP; **Donna L. Lucas**, CEO and founder, Lucas Public Affairs; and **Susan Corrales-Diaz**, president and CEO, Systems Integrated.

The Executive Committee works with top CalChamber management to determine policy, financial and program direction, including, when necessary, providing policy guidance between the regular quarterly meetings of the CalChamber Board.

Staff Contact: Dave Kilby

Boom Time for India Promises Benefits for Relations/Trade with U.S., California



meeting of the CalChamber Council for International Trade.

Ambassador Dr. Nagendra Prasad, consul general of India in San Francisco, and Ambassador Atul Keshap, president of the U.S.-India Business Council, pointed out the many historical and economic connections between California and India.

Both ambassadors commented that shared democratic values are an important component of the strategic partnership between India and the United States.

The breakfast meeting was sponsored by CalChamber Board member companies Ernst & Young LLP, Deloitte LLP, KPMG LLP and PricewaterhouseCoopers.

India Strengths

India's time has come, Prasad said, commenting that India is the fastest-growing large economy in the world today with International Monetary Fund estimates suggesting that the nation's growth will be about 7% in this fiscal year.

Indian demographics — the median age in the country is 28 — are another asset, Prasad said.

The country's leadership, he said, is committed to ensuring India's growth and will have a transformational impact for both India and the rest of the world.

There is an increasing convergence of interests between the United States and India on bilateral, regional and global issues, Prasad said, pointing out that both nations are democracies.

Trade and investment opportunities in India were the focus of attention at last week's international breakfast

Keshap noted that India, like California, is a country where everything is possible: "We are free peoples who collaborate within a shared high-trust ecosystem... We believe in the diversity of our people. We believe in the innate genius of humanity to innovate."

Technology

Both ambassadors cited advances in technology as a strength in India.



Ambassador Dr. Nagendra Prasad



Ambassador Atul Keshap

Prasad said India is among the countries that provide the cheapest internet connectivity; a recent survey found that the internet is being used more by rural areas than urban ones.

Similarly, Keshap said in his lifetime, India has developed to have now some of the best and cheapest digital telephony on the planet. "Every rickshaw wallah has a smartphone," he observed. Indians have developed their own digital financial bridge that is more advanced than that of the United States, he said.

Connections

Prasad recounted the long history of Indians in California, starting in the 19th century with many Punjabi and Sikh immigrants coming to work on the railroads before moving to agriculture. In the 1970s, doctors and professionals came to the state, and in the 1990s, the flow of techies began.

California also played a role in India's independence, achieved 75 years ago.

Indians who settled in San Francisco inspired people in India to fight for their freedom, Prasad said.

"The great Indian freedom fighters all visited here," Keshap agreed, naming Rabindramath Tagore, Swami Vivekananda and Paramahansa Yogananda as "titans of the Indian independence and spiritual awareness movement" who drew inspiration from their interactions in San Francisco and Los Angeles

in the early years of the 20th century.

Looking Forward

Prasad pointed to the "knowledge partnership" India has with California, reflected in the large numbers of Indian students at prominent institutions of higher education, as well as multiculturalism and diversity as being among factors that show

potential for continuing close relations between India and California.

Keshap, whose organization works with the U.S. and Indian governments to examine and offer advice on ways to advance U.S.-India trade and commercial relations, encouraged listeners to speak up on issues they encounter, so the U.S.-India council can go to the governments and present constructive ideas for moving through things.

Although India is 13 time zones from California, Keshap said, cultural compatibility (including food fusions) mean the entities aren't far apart. As for U.S.-India relations, he commented, "we have come a long way together ... our commonality is increasingly evident in everything we do. Our two great democracies and the citizens thereof contribute to the strength and happiness of the world."

Staff Contact: Susanne T. Stirling

Goods Inflation Declining, Services Rising; Federal, State Labor Markets Still Strong

Overview

The pace of economic growth continues to moderate, primarily driven by a slower pace of consumption, which accounts for about two-thirds of gross domestic product (GDP).

We do not believe the economy is in a recession yet, but the planned aggressive actions by the Federal Reserve to raise interest rates and reduce the size of its bond holdings may put the economy into a recession in 2023.

If a recession does happen, we believe it will be relatively mild due to the strength of household and corporate balance sheets and the stability of the banking system.

Washington, D.C.

The results of the mid-term elections show the purple fog is still here — for Congress; there is no mandate for one party over another, just a very slight majority.

Since it appears that both houses of Congress will no longer be leaning toward the Democrats, which has been the case for the past two years, this probably means that fiscal policy will take a back seat, as President Joe Biden will not be able to push through significant changes that require money, either spending or taxing.

It also means the debt ceiling will become a political toy, as the \$31.4 trillion debt limit will need to be increased in early 2023.

The Fed

The Federal Reserve recently raised the federal funds rate by 75 basis points (bps) to 3.875%. The Fed has acknowledged

that the federal funds rate is well above the neutral rate and in restrictive territory.

As a result, for future changes in monetary policy, it will consider the cumulative degree of tightening, and it will consider the aggregate lags inherent in monetary policy changes, and economic and financial developments. It will soon

The fear of the last few months has been that the Fed would continue to raise rates at a fast pace until inflation turned downward, which meant there was a high probability the Fed would overtighten and cause a recession. This decision to pay attention to the impact the rate hikes may have on the economy plays into the Fed's hope of an economic soft landing.

Inflation

Lower levels of inflation have begun in earnest. The current annual change in the consumer price index (CPI) fell to 7.7% from 8.2% last month and a recent high of 9.1% back in June.

After the November 10 release, there were impressive moves in the market. The Dow rallied 1,201 points (3.7%), the S&P 500 jumped 208 points (5.5%), and 10-year Treasury notes rallied 28 bps to yield 3.81%.

With all this good news, there is an important thing to remember: 7.7% inflation still is a really big number. A year ago it was 6.2%, and the Fed's target rate is 2.0%. So the Fed will continue to raise interest rates until it is confident that inflation is on a clear path toward its target rate.

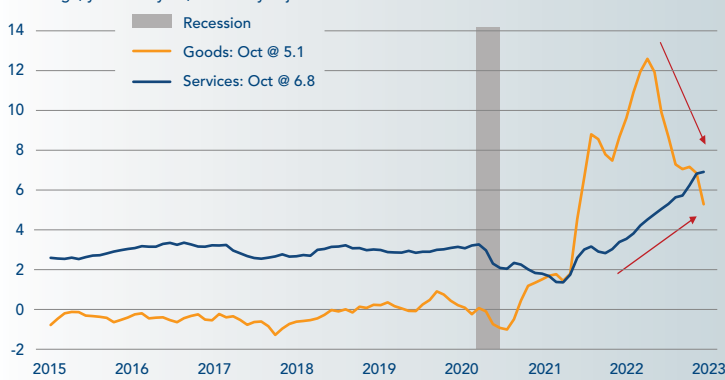
There is good news on the inflation front, as the much-anticipated "basis effect" is taking place. The large monthly increases in inflation from last year will fall off the annual calculation and hopefully be replaced by more moderate gains of current data.

Simply put, if a 0.4% gain replaces a 0.9% gain from last year, the annual change will drop by 0.5%. (This is what happened in the October data.) In the last

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Inflation — Core CPI: Goods and Services

% change, year-over-year, seasonally adjusted



slow the pace of rate hikes, which have been 75 bps for the last four hikes.

This was an important move for the Fed. It is not a dovish pivot. But the Fed acknowledges that the 375 bps rate hikes so far this year will cause the economy to slow and inflationary pressures to decline. It just hasn't shown up in the data yet due to the lag effect that monetary policy has on economic growth.

The Fed is just as hawkish as it was before the recent meeting. It still has more interest rate hikes planned for this year and next year because there is still a need. (Real Federal funds are still negative.) Fed Chair Jerome Powell stated that the slower pace should not be interpreted as signaling an imminent pause. He also indicated that the terminal rate might be higher than the 4.6% projection made in September.

Goods Inflation Declining; Federal, State Labor Markets Still Strong

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two months, the monthly increase has been 0.4%, and if that pace continues, it will replace an average of 0.8% over the next eight months.

So a monthly reduction of 0.4% over the next eight months will take 3.2 percentage points off the annual rate ($0.4\% \times 8 = 3.2\%$). That will bring the annual rate of the CPI below 5.0%, all else being equal.

Goods

But all else is not equal, and that is the good news. Goods inflation continues to decline as demand for goods has fallen because shopping habits have changed since the pandemic.

Retail inventory continues to climb, and the products are now being discounted, most notably with apparel. Remember Amazon's Prime Day in October? That wasn't just to be friendly to the consumer; it had bloated inventories that needed to be reduced. Other retailers also had big sales.

We expect goods inflation to continue to decline.

Services

As for service inflation, that might be close to peaking. A big part of the service component is housing costs, and the pace of upward pricing pressures is slowing under the pressure of higher mortgage rates.

The other part is essential services, with labor costs having increased prices. Fortunately, the pace of labor costs also is slowing. So a combination of the base effect and slowing pricing pressures plays into the market expectation that inflation will decline in 2023.

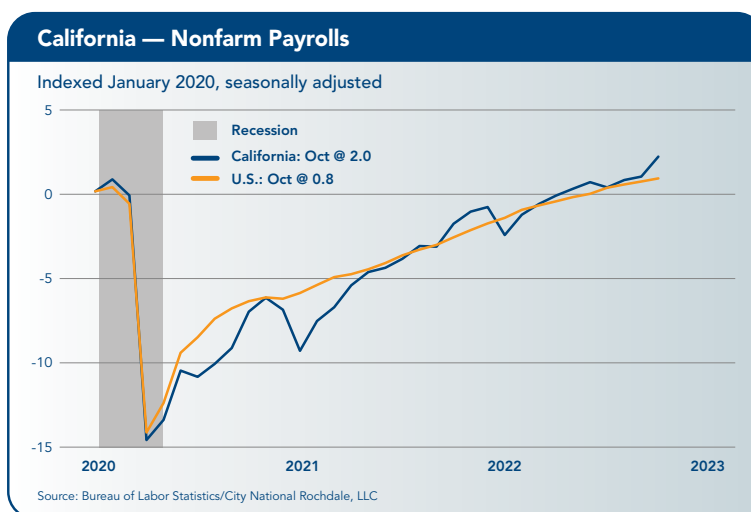
The labor market is gradually softening but remains too strong for the Fed's liking. The persistent worker shortage has led companies to avoid layoffs (you can't fire someone you never hired), and when employees do quit, companies are quickly replacing the workers who left.

But that will change as the risk of entering a recession increases due to the Fed's aggressive approach to monetary policy and to domestic and global demand softening, and borrowing costs increasing.

The rebound in job openings from the job openings and labor turnover survey (JOLTs) report and the strength in today's Non-Farm Payroll (NFP) will not divert the Fed from its plans to raise interest rates. The pace of labor deceleration is not fast enough for the Fed. The imbalance between demand for workers and available

workers remains too wide for the Fed's comfort.

Staff Contact: Dave Kilby



So far this year, payrolls have increased by 4.7 million. That is higher than the average of a good year of growth.

Labor

The labor market remains vibrant. This report was broadly a continuation of the strong labor growth that has been in place all year. So far in 2022, payrolls have increased by 4.7 million, far better than the average growth of 2.3 million in most good years.



This economic outlook report to the CalChamber Board of Directors was prepared by Paul Single, managing director, senior economist, senior portfolio manager, City National Rochdale LLC.

CalChamber Public Affairs Conference Offers Insights on Political Landscape

Photos by Matt Lara



Robert Green, Pierrepont Consulting & Analytics, and Adam Rosenblatt, Bold Decision, give conference attendees a look at the results of the People's Voice, 2022, the eighth annual CalChamber survey of voter attitudes.



CalChamber President and CEO Jennifer Barrera (left) moderates a look at what's coming in Governor Gavin Newsom's second term in office featuring comments by Christy Bouma (right), the Governor's legislative affairs secretary.



Discussing the status of privacy laws in California and the California Consumer Privacy Act (CCPA) are (from left) Assemblymember Jesse Gabriel (D-Woodland Hills), chair of the Assembly Privacy and Consumer Protection Committee; Senator Thomas Umberg (D-Santa Ana), chair of the Senate Judiciary Committee; Senator Rosilicie Ochoa Bogh (R-Yucaipa); and moderator Ronak Daylami, CalChamber policy advocate specializing in privacy issues.



Commenting on what happened in the 2022 elections are (from left) Matt Rexroad, Strategy Insights; Kate Maeder, KMM Strategies; Christy Wilson, Wilson Public Affairs; moderator Marva Diaz, editor of the California Target Book; and Andrew Acosta, Acosta Consulting.

Public Affairs Conference Offers Insights on Political Landscape

Photos by Matt Lara



Panelists for the conference session featuring legislative veterans talking about the lessons they have learned in ferrying a proposal from concept to law are (from left) Assemblymember Tom Daly (D-Anaheim), Senator Scott Wilk (R-Santa Clarita), CalChamber President and CEO Jennifer Barrera (moderator), Senator Steve Glazer (D-Contra Costa), Senator Anthony Portantino (D-La Cañada Flintridge), and Assemblymember Chris Holden (D-Pasadena).



Luncheon speakers offering more perspectives on the 2022 elections are (from left) Mike Murphy, USC Center for the Political Future; Stephanie Cutter, Precision; and moderator Rob Stutzman, Stutzman Strategies.



(From left) CalChamber Senior Policy Advocate Adam Regele moderates a panel on recycling and SB 54, the circular economy and recycling compromise legislation enacted this year, with Senator Brian Jones (R-Santee), Senator Josh Newman (D-Fullerton), Assemblymember Laurie Davies (R-Laguna Niguel), and Senator Ben Allen (D-Santa Monica), author of SB 54.



Speakers for the final conference panel examining the state budget are (from left) moderator Ben Golombek, CalChamber executive vice president and chief of staff for policy, Assemblymember Vince Fong (R-Bakersfield), Assemblymember Cottie Petrie-Norris (D-Laguna Beach) and Senator Dave Min (D-Irvine).

Drought Relief Top Priority for Voters; Climate Change Costs a Concern



Along with the economy, top of mind for voters is the drought, according to the CalCham-

ber People's Voice poll.

By a 4 to 1 margin, voters say the drought represents the new reality for California, as opposed to a short-term problem. And 87% of voters say that state leaders are not spending enough time working to expand the state's fresh water supply.

When it comes to solutions and strategies, voters overwhelmingly support new infrastructure and technology to address water shortages. By a large margin, voters support (89%, 52% strongly) expedited permitting of desalination plants along the coast and expedited permitting of off-stream water storage reservoirs (89%, 41% strongly). Similar support was expressed for expedited permitting of recycling plants that make sewage effluent (treated, reclaimed wastewater) and stormwater drinkable.

Conservation and regulatory measures also are supported by voters. Voluntary water reductions by residential users and mandatory reductions for all other users was supported by 83% of voters, while mandatory water rationing for all users was supported by 64% of voters. This latter, stringent measure was supported

by all demographic subgroups and regions except Republicans (46%) and Inland Empire voters (47%).

Climate Change

A perennially popular issue with elected California leaders is climate change and regulations to mitigate its causes. A plurality of California voters (43%) agree that California is not moving fast enough when it comes to policies addressing climate change (another 30% believe the state is moving at the right pace). But when it comes to both setting priorities and the policy details, voters diverge from their leaders.

Voters strongly support measures to address wildfire suppression and mitigation. Controlled burning to eliminate dry underbrush on public and private land is supported by 85% of voters, as is limiting future housing development in areas prone to wildfires (84%).

Subsidies of electric or hydrogen-powered vehicles also are supported by a 2 to 1 margin.

Cost Concerns

But voters shift gears when a policy implicates their lifestyles or pocketbooks. They oppose (52%) the ban on sales of gasoline-powered automobile engines by 2035, strongly oppose (61%) requiring any new highway expansion include only carpool or toll lanes, and overwhelmingly

oppose (70%) increasing taxes on gasoline or diesel to discourage use of internal combustion engines.

Californians understand that fighting climate change as a state will be costly. More than two-thirds of voters say that new policies to fight climate change will cause the price of things to increase, while only a quarter of voters believe these policies would have no impact on prices.

When asked directly how much more they'd be willing to spend in higher prices and higher taxes each month to combat climate change, Californians voted with their pocketbooks.

- No more: 50%
- Up to \$50 more per month: 30%
- Up to \$100 more: 12%
- Up to \$200 more: 5%
- Up to \$400 more: 1%
- Up to \$500 more: 1%
- More than \$500 more: 0%

Methodology

The CalChamber poll was conducted by Bold Decision and Pierrepont Consulting and Analytics with 1,000 online interviews of California 2022 general election voters from November 12–14, 2022. The margin of error for this study is +/- 3.1% at the 95% confidence level and larger for subgroups. This is the eighth year CalChamber has published The People's Voice survey.

Voters' Unease on Crime, Homelessness Colors Views of Future

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- Reducing taxes;
- Addressing the economic recession;
- Reducing crime;
- Addressing homelessness; and
- Addressing high housing costs.

Left unattended, these issues certainly contribute to anxieties expressed by California voters.

Personal Safety

One of the biggest sources of public anxiety is personal safety. Asked about crime, 69% say it has increased, with more than half of those polled saying it's gone up "a lot." More than 4 out of

5 voters agree that street crime, shoplifting and car theft have become rampant throughout California, and 63% agree that they no longer feel safe because of danger and disorder in society today. That last sentiment has grown stronger over the base three years.

As to possible responses, half of voters support increasing funding and resources to law enforcement and another 38% say funding should remain about the same. Nearly 9 in 10 voters (61% strongly) say that violent offenders should be kept in prison for their entire sentence, as determined at the trial. A similar 89% of voters (56% strongly)

agree that prosecutors who refuse to enforce the law should be replaced.

Methodology

The CalChamber poll was conducted by Bold Decision and Pierrepont Consulting and Analytics with 1,000 online interviews of California 2022 general election voters from November 12–14, 2022. The margin of error for this study is +/- 3.1% at the 95% confidence level and larger for subgroups. This is the eighth year CalChamber has published The People's Voice survey.

CalChamber Poll: Voters Maintain Support for Proposition 13, Increase Support for Improving Resolution of Labor Litigation



Voters have strong opinions about issues affecting the state's economy and their personal

well-being, as shown in the People's Voice, 2022 CalChamber poll.

A bedrock issue for California voters is Proposition 13 — namely, protecting it. After 44 years, Prop. 13 is just as popular as ever, with 85% of voters having a favorable view of the property tax reform (44% very favorable).

From a venerable ballot measure to a brand new one, voters continue their strong support to reform litigation over Labor Code violations, also known as “PAGA” (Private Attorneys General Act). A 2024 ballot measure would require Labor Code violations to be handled by independent state regulators, and 100% of penalties for violations to be paid to employees — instead of the state. The measure also would allow employees to take their case to court if they are not satisfied with the regulator's decision.

When asked about this proposal, 62% of voters indicated their support, with only 11% opposed. What's more, this is a 13 percentage point increase in support since last year.

State Budget

An overarching issue for 2023 will be the health of the state's budget. Following the last two years' record budget

surpluses — and record spending — fiscal experts expect a major tightening of revenues, even before accounting for a possible recession. The CalChamber poll asked voters to rank 15 services and programs to either protect from or prioritize for spending cuts.

The top three issues voters wanted to protect from spending cuts are law enforcement, K–12 education and addressing homelessness, followed closely by housing, water conservation and economic development.

The top issues prioritized for spending cuts, given a tight state budget, would be benefits for undocumented residents, prisons and climate change/electric vehicles.

Voters have clearly focused their priorities on services that are close to home and that affect their families' daily lives.

Public Education

Just because schools are a high priority for voters does not mean they are satisfied with school performance.

After two years of the pandemic and its effect on public schools, including substantial learning loss among students and new state and federal funding, a strong majority of voters (57%) say the public education system in California needs major changes, another 36% support minor changes, and only 7% believe the system is basically fine.

Given a choice among various strategies to improve public education and

recover from pandemic learning loss, voters selected as their top three: increasing the statewide budget for education and pay to recruit more teacher; substantially increasing the availability of tutors, especially for at-risk students in key subjects; and allowing parents to choose the local public school to attend that best meets their child's needs.

Health Care

Although the Legislature defeated single-payer health care earlier this year, proponents have not given up. But they will have to overcome substantial voter skepticism.

Asked about their current health insurance, a strong majority (54%) responded they were very satisfied, and another 38% were somewhat satisfied. Among those with private health insurance (nearly half the sample), more than 7 out of 10 voters would rather keep their current private health insurance, compared with just 29% that would rather switch to a government-run single-payer approach.

Methodology

The CalChamber poll was conducted by Bold Decision and Pierrepont Consulting and Analytics with 1,000 online interviews of California 2022 general election voters from November 12–14, 2022. The margin of error for this study is +/- 3.1% at the 95% confidence level and larger for subgroups. This is the eighth year CalChamber has published The People's Voice survey.

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UK Trade Minister Emphasizes Opportunities to Strengthen State Ties



Greg Hands, minister of state for trade policy for the United Kingdom, tells members of the CalChamber Board of Directors that the opportunities for bilateral cooperation between the UK and California are vast. Speaking at the CalChamber Board dinner in San Francisco on December 8, Hands cited the two trading partners' shared values, innovative and creative mindset, and commitment to sustainable development. The trade minister said he was on a coast-to-coast visit to the United States "to spread one message — that the UK is open for business with the United States."

Political Editor Recaps 2022 Midterm Election Results in Multiple Ways



David Wasserman, senior editor for The Cook Political Report, provides entertaining anecdotes from his coverage of the 2022 candidates for the U.S. House of Representatives at the CalChamber Board of Directors dinner on December 8. He describes his "retail theory of politics," in which he used a geographic information system (GIS) program to map the store sites for retail chains with at least 100 locations and added election outcomes. The resulting data analysis showed leading indicators for areas of Democratic strength are places where Whole Foods Market stores are located, while Republican strongholds correlate with Cracker Barrel locations.

CalChamber Board Examines Climate Change Policy Challenges



CalChamber Board member Jennifer Haley (right), president of Kern Energy, moderates a climate change policy discussion at the CalChamber Board of Directors meeting on December 9 with experts Lynn Orr (center) former undersecretary for science and energy and Stanford University professor emeritus in energy science and engineering, and Michael Wara, senior research scholar, Stanford Woods Institute for the Environment. Subjects covered included the complexities of the interacting systems that power the economy; the importance of energy transmission systems; maintaining diverse energy supply sources, including fossil fuels, during the transition to an economy relying more on electricity; the need for a speedier permit process to get energy infrastructure—including renewable energy sources—online; keeping energy affordable; how to decarbonize the economy while keeping it healthy and growing; and avoiding energy policies that discourage innovation because it is unclear today what technology could prove crucial tomorrow.

State Infrastructure Adviser Outlines Ways to Speed Projects



State Infrastructure Adviser Antonio Villaraigosa, former mayor of Los Angeles and Assembly speaker, explains to the CalChamber Board of Directors on December 9 what he is suggesting the state do to speed construction of essential infrastructure projects. Strategies that worked when he was mayor and with potential to work well at the state level, he says, include cutting through red tape to streamline permitting, forming “strike teams” so state agencies work together and don’t operate in silos, persuading federal officials to allow state and U.S. environmental review processes to take place concurrently, making use of alternative delivery methods and public-private partnerships, and gaining access to the low-cost federal loans available.

State, Local Minimum Wage Rates Increase on January 1, 2023

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becomes greater than San Leandro's, the state rate will apply instead, and the San Leandro minimum wage ordinance will become ineffective.

Beginning January 1, 2023, the state minimum wage rate will exceed the San Leandro minimum wage, so employers will need to pay employees the \$15.50 per hour state rate.

West Hollywood

West Hollywood passed their minimum wage ordinance on November 15, 2021, with a phase-in plan where the minimum wage rate increases every six months — starting on January 1, 2022, and ending on July 1, 2023. Increases are currently based on the employer's size

and whether the employer is a hotel.

However, on July 1, 2023, the scheduled rate will be \$18.86 per hour for all employers, regardless of size or industry.

Every July 1 thereafter, the West Hollywood minimum wage for all businesses will be increased based on the Annual Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

Notice/Posting Requirements

Each of the above local minimum wage ordinances have notice, posting and recordkeeping requirements. Failure to comply with these obligations may subject you to fines, penalties or even civil action. If you have any employees working in one of the above cities, ensure you comply with the applicable ordinance

and that you post an updated poster in a conspicuous location at your business — such as a break room. You should provide a physical copy of the poster to your remote employees as well.

CalChamber sells required [local California city and county labor law posters](#) that are compliant with various local ordinances. Check our store for your local labor law poster needs.

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

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Australia. Space limited. Jason.Sproule@trade.gov.

2023 Taiwan Trade Shows. Taiwan Trade Center, San Francisco. March 6–November 8, 2023, Taiwan and Online. (408) 988-5018.
Trade Winds Southeast Asia. U.S.

Commercial Service. March 9–16, 2023, Bangkok, Thailand.
TradeWinds@trade.gov.

Panama and CAFTA-DR Trade Mission. Foreign Agricultural Service, U.S. Department of Agriculture. March 19–23, 2023, Panama City, Panama.
trademissions@fas.usda.gov.

11th Annual Pan African Global Trade and Investment Conference. Center for African Peace and Conflict Resolution. April 26–30, 2023, Sacramento.
info@panafricanglobaltradeconference.com.



2023 Employment Law Updates

From mandatory bereavement leave to pay scale requirements, Governor Newsom signed numerous bills into law that will have a broad impact on all California businesses in 2023.

Don't miss one of CalChamber's annual Employment Law Updates training events in January. Get specifics and best practices from our California legal experts.

Preferred Members and above receive their 20% member discount.



Recent California and federal laws, regulations and court decisions

LEARN MORE at calchamber.com/2023updates