

# ALERT

*97th Annual Host Breakfast*

## Infrastructure, Innovation Highlighted by Key Speakers



California's infrastructure needs and ability to find innovative solutions were highlighted last week in remarks at the 97th Annual Sacramento Host Breakfast.

California Governor Gavin Newsom stressed the importance of streamlining the state's infrastructure permitting processes to the breakfast audience of close to 1,000 civic and business leaders from throughout the state.

Preceding the Governor on the speakers' platform at the May 18 gathering, California Chamber of Commerce Board Chair Gregory S. Bielli emphasized the importance of collaboration and leadership for a better California.

### Infrastructure

Expediting infrastructure projects was one of the issues Governor Newsom discussed in a question-and-answer exchange with CalChamber President and CEO Jennifer Barrera.

The Governor asserted that progress was being made to reforming some aspects of the California Environmental Quality Act (CEQA) and said his office would soon announce streamlining, permitting and judicial reforms ([see story](#)).

These reforms will be critical to taking advantage of \$180 billion in federal infrastructure funding.

"[The \$180 billion in funding is] one of the most significant investments

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## Two Job Killer Bills Held in Appropriations; 2 Job Creators Move



Eight job killer proposals identified by the California Chamber of

Commerce this year remain alive after last week's deadline for fiscal committees to send bills to the floor.

Strong **opposition** from the CalChamber helped to stop two job killer bills from continuing past the Senate Appropriations Committee. Two job creator bills passed their Appropriations committees and will be heard soon.

### Job Killers Stopped

The following job killer bills have been stopped and are likely dead for the year:

- **SB 12 (Stern; D-Canoga Park)**

**Arbitrary Greenhouse Gas Target.**

Arbitrarily changes the state's greenhouse gas (GHG) reduction goal from 40% of 1990 levels by 2030 to 55%. By the state's own estimate this proposal will force 17 million gas-powered cars off the road in the next 10 years.

- **SB 809 (Smallwood-Cuevas; D-Los Angeles) Prohibits Consideration of Conviction History in Employment.** Prohibits nearly every employer from considering conviction history of an applicant or existing employee in employment decisions and imposes cumbersome process on employers that

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Governor Gavin Newsom



CalChamber Chair Gregory S. Bielli

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## Labor Law Corner

# Even in 'At-Will' California, It's Wise to Follow Disciplinary Process



**Dana Leisinger**  
Employment Law  
Expert

*We opened up an office in California recently. We have a couple of problem employees, but I heard California employment is "at-will" and we can just terminate their employment. Is that true?*

California is indeed at-will state, and both employer and employee can end the employment relationship at any time, with or without cause. However, an employer can't end the relationship for an illegal or discriminatory reason.

Many individuals in protected categories (protected from discrimina-

tion) will claim their race, religion, or other protected class as the basis for a termination.

In addition, at-will does not protect an employer when an employee claims they were terminated for refusing to perform an illegal act or in retaliation for engaging in a protected activity, such as taking a legally protected leave of absence.

### Discipline for Misbehavior

Therefore, it is wise for an employer to follow the progressive disciplinary process, regardless of the at-will status, for employee misbehavior.

This typically begins with an oral warning or two. It is impossible to draw a precise path to follow, as so many things can take place in the workplace.

*HR California* has a form titled "Employee Disciplinary Warning," with boxes to check for an oral warning, written warning, probation, or suspension (for hourly employees only). Typically, the situation will progress to a written warning if the behavior doesn't improve.

Some employers prefer to issue a suspension before termination. This can be done, however, only with hourly employees, not exempt. Additionally, not all employee misbehavior warrants the

progressive disciplinary path. When an employee engages in truly reprehensible behavior, immediate termination may be warranted.

### Discipline as Defense

For other situations, however, progressive discipline provides a defense against a claim of discrimination or illegal termination. When an employee makes such a claim, and the employer produces a personnel file with warnings, the claim should go no further.

Employees are terminated in large numbers every day. Few terminations ripen into a wrongful termination lawsuit. A personnel file with absolutely no warnings tends to lead to a presumption the employer wasn't being up front about the terminated employee.

Never promise progressive discipline; that promise erodes the at-will status. However, practice progressive discipline, and a natural defense will be built.

*Column based on questions asked by callers on the Labor Law Helpline, a service to California Chamber of Commerce preferred members and above. 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](http://www.hrcalifornia.com).*

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*Alert (ISSN 0882-0929) is published weekly during legislative session with exceptions by California Chamber of Commerce, 1215 K Street, Suite 1400, Sacramento, CA 95814-3918. Subscription price is \$50 paid through membership dues.*

*Send email address changes to [alert@calchamber.com](mailto:alert@calchamber.com). Publisher: Jennifer Barrera. Executive Editor: Ann Amioka. Art Director: Neil Ishikawa. Capitol Correspondent: Sara Proffitt.*

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## CalChamber-Sponsored Seminars/Trade Shows

More at [www.calchamber.com/events](http://www.calchamber.com/events).

### Labor and Employment

Pregnant Pause: Providing Pregnancy and Child Bonding Leaves. CalChamber. June 15, Online. (800) 331-8877.

Leaves of Absence: Making Sense of It All Virtual Seminar. CalChamber. August 24–25, September 21–22, Online. (800) 331-8877.

### International Trade

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

Access Africa Now Webinar Series.

U.S. Commercial Service. April 11–September 27. (512) 936-0039.

NAFSA Annual Conference & Expo.

National Association of International Educators. May 30–June 2, Washington, D.C. (202) 737-3699.

Trade Mission 2: California Water Tech

Trade Mission to Mexico. Governor's Office of Business and Economic Development (GO-Biz). June 5–9, Tijuana and La Paz. [diana.dominguez@gobiz.ca.gov](mailto:diana.dominguez@gobiz.ca.gov).

On the Move in Silicon Valley: Japan and the Search for Mobility Tech. Japanese Chamber of Commerce of Northern California. June 20, Santa Clara. (714) 350-6366.

Infosecurity. Infosecurity Europe. June 20–22, London. (+44) 20 82712130.

2023 Canada Specialty Food & Beverage Outbound to Canada. Western U.S.

Agricultural Association. June 25–30,  
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## Small Business Advocate Awards

# CalChamber Recognizes Corona, Chino Business Leaders



Business owners from Chino and Corona were acknowledged last week by the California Chamber of Commerce

for outstanding advocacy on behalf of small businesses.

The CalChamber announced the awards on May 17 in Sacramento at the Capitol Summit, attended by about 200 business leaders from throughout the state.

CalChamber Chair Gregory S. Bielli and CalChamber President and CEO Jennifer Barrera presented this year's awards to:

- **Palbinder Badesha**, owner of Express Employment Professionals, an employment agency in Corona with six employees; and
- **Jeff Vaka**, owner of Ultimate Source and All-Marketing, a logistics business in Chino with four employees.



**Palbinder Badesha**

Badesha chaired the Corona Chamber Board of Directors in 2022. A native of Great Brit-

ain, Badesha came to the United States at the end of 2002. She turned quickly to the Corona Chamber as she worked to establish her franchise of Express Employment Professionals during the Great Recession.

Badesha worked with leaders from both sides of the aisle to help encourage state-assisted development of job training programs at her local community college in neighboring Norco, the entire Riverside Community College District and the University of California, Riverside.

As a result of these programs, numerous veterans have received career building work opportunities. Moreover, the

U.S. Navy has been encouraged to maintain high tech investments at the Corona Norco Naval Surface Weapons Center, which is responsible for more than \$100 million a year in local economic activity.

Seeing the need to bring employers and job seekers together, Badesha chaired a job fair for the community through the Corona Chamber in July 2022. The job fair attracted more than 50 participants and hundreds of applicants with a few companies hiring on the spot. One corporation hired more than 100 people from the job fair. The success of the 2022 job fair led to a repeat performance and employer spaces for the May 20, 2023 job fair were sold out.

As a business advocate, Badesha has appeared before her city council and county board of supervisors, and embarked on numerous trips to Sacramento and the nation's capital.

In February 2023, Badesha led a group of fellow franchise owners to Washington D.C. to meet with congressional representatives.

A letter supporting Badesha's nomination for the Small Business Advocate of the Year Award was co-signed by three Corona Chamber leaders — Dean Seif, 2023 board chair; Jeff Miller, legislative chair and retired member of the California State Assembly; and Bobby Spiegel, president/CEO.

Noting that Badesha is a "steady attendee" at city council and school board meetings, the Corona Chamber leaders wrote: "Her keen sense of communications works well with our elected officials throughout the state."



**Jeff Vaka**

Vaka, a member of the Chino Valley Chamber Board of Directors, helped kick off the Chino Valley Cham-

ber's legislative advocacy program as the community emerged from the COVID pandemic.

In nominating Vaka for the Small Business Advocate of the Year Award, Chino Valley Chamber President Zeb Welborn described Vaka as an "invaluable asset" to the chamber and a "passionate advocate for small businesses in our community."

Vaka worked closely with the chamber to identify legislation that could affect businesses and to rally support for the chamber's Appetite for Advocacy program.

Following is a sampling of the state, local and federal issues on which the Chino Valley Chamber weighed in, with Vaka's guidance:

- A California Chamber of Commerce-led coalition push for state agencies to extend the time for taking comments on a map of fire hazard zones in the state. The updated fire hazard severity zone designations affect approximately 31 million acres of California and determine, among other things, planning decisions, building code applications and the availability and cost of residential home insurance for millions of Californians.

- Support for the city of Chino request for federal funds to replace the Chino Creek Bridge, which is located in a floodplain and doesn't have the capacity to accommodate a 100-year storm. The bridge is subject to flooding when precipitation is heavy. An all-weather crossing will allow uninterrupted movement of people, goods and services.

- Opposition to a proposed rule of the Federal Trade Commission (FTC) to impose a nationwide ban on almost all noncompete clauses. The Chino Valley Chamber and other groups across the country pointed out that the FTC lacks constitutional or statutory authority to issue such a rule and its attempt to do so improperly usurps the role of Congress.



## 10 Local Chambers Receive 2023 President's Circle Award



The California Chamber of Commerce has named 10 local chambers of commerce as recipients of the 2023 President's Circle Award.

The award, first presented in 2009, recognizes chambers for excellence in business advocacy and helping their members comply with California employment laws.

The award-winning chambers were

announced during the CalChamber Capitol Summit on May 17, 2023.

Three of the chambers have received the award all 15 years it has been presented.

The 2023 recipients of the President's Circle Award are as follows. An \* marks the chambers that have received the award all 15 years:

- **Carlsbad Chamber:** Bret Schanzenbach, president/CEO;
- **Greater Conejo Valley Chamber\*:** Danielle Borja, president/CEO;
- **Greater High Desert Chamber:** Mark Creffield, president/CEO;
- **Lake Elsinore Valley Chamber:** Kim Cousins, president/CEO;
- **Long Beach Area Chamber\*:** Jeremy Harris, president/CEO;
- **Greater Riverside Chambers\*:** Nick Adcock, president/CEO;

- **Santa Maria Valley Chamber:** Glenn Morris, president/CEO;
- **Simi Valley Chamber:** Kathi Van Etten, president/CEO;
- **Tulare Chamber:** Donnette Silva Carter, CEO;
- **West Ventura County Business Alliance:** Nancy Lindholm, president/CEO.

President's Circle Award recipients published vote records of their state legislators on key business issues, joined coalition efforts to let state elected officials know about community sentiment on issues of interest to members, voiced the local chamber's position at legislative policy committee hearings, and participated in the CalChamber compliance product resale program at an exemplary level.

## CalChamber Recognizes Local Chamber Advocacy, HR Champions



Local chambers of commerce are valued partners, working with the Cali-

fornia Chamber of Commerce as solid advocates for business-friendly policies and helping California businesses comply with complex laws and regulations.

The following awards acknowledge the work of local chambers as advocates for business or helping their members comply with California employment laws.

Seven chambers were named as Advocacy Champions and 16 as HR Champions at the CalChamber Capitol Summit on May 17 in Sacramento.

### Advocacy Champions

- Fremont Chamber;
- Laguna Niguel Chamber;
- Lodi District Chamber;
- Murrieta/Wildomar Chamber;
- Orange County Business Council;
- Roseville Area Chamber;
- Torrance Area Chamber.

### HR Champions

- Greater Bakersfield Chamber;

- Corona Chamber;
- Fresno Chamber;
- Gilroy Chamber;
- Imperial Valley Regional Chamber;
- Oakdale Chamber;
- Palm Desert Area Chamber;
- Paso Robles Chamber;
- Porterville Chamber;
- Redding Chamber;
- Ridgecrest Chamber;
- Rohnert Park Chamber;
- Santa Fe Springs Chamber;
- The Chamber of Commerce for Greater Brawley
- Whittier Area Chamber;
- Yuba-Sutter Chamber.

## CalChamber-Sponsored Seminars/Trade Shows

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Toronto and Vancouver, Canada. (360) 693-3373.

Select USA San Francisco Spin-Off Program. GlobalSF and QB3. June 30, Berkeley. [info@globalsf.biz](mailto:info@globalsf.biz).  
Trade Mission to Africa. Global Diversity

Export Initiative. August 6–15, South Africa, Ghana and Nigeria (optional stop). [eve.berman@trade.gov](mailto:eve.berman@trade.gov).

The Green Expo 2023. The Green Expo and International Environmental Congress of the Consejo Nacional de Industriales Ecologistas (CONIECO).

September 5–7, Mexico City. 55-1087-1650.

Smart City Expo World Congress (SCEWC). Smart City Expo World Congress. November 7–9, Barcelona, Spain. (704) 248-6875.

## Governor's Infrastructure Proposal Cuts Red Tape to Speed Projects



Budget surpluses may be a thing of the past, but Governor Gavin Newsom

can still initiate massive new investments in state infrastructure—if he can cut enough red tape to deliver the projects when they're needed.

Facing the daunting prospect of spending an unprecedented \$180 billion for public and energy infrastructure over the next decade, the Governor has proposed a far-reaching permit and litigation streamlining initiative aimed at cutting the delays and costs that have been endemic to California public facilities development.

The Governor described the proposal as “the most ambitious effort to cut red tape and streamline regulations in half a century. It's time to make the most out of taxpayer dollars and deliver results while creating hundreds of thousands of good jobs.”

The goals set out by the Governor include cutting project timelines by more than three years, saving businesses and state and local governments hundreds of millions of dollars in project development costs, and reducing paperwork by hundreds of thousands of pages.

### CalChamber Comment

The California Chamber of Commerce embraced these goals, commending Governor Newsom for his ambitious and timely proposals to expedite public works projects and housing in California, both of which are necessary for the state's economic development.

“California's economy will benefit from the reforms and permit streamlining the Governor outlined,” said CalChamber President and CEO Jennifer Barrera. “We are grateful for the opportunity to work together to bring more critical infrastructure projects to life. We are also happy to hear about CEQA reforms that will help expedite all necessary development in the state.”

### Infrastructure Initiative

Comprising 11 separate pieces of legislation, an executive order, and high expectations set by and for the Administration, the infrastructure initiative would:

- Expedite court review of projects by putting legal challenges on a fast-track for resolution, without minimizing the environmental analytical and mitigation requirements.
- Accelerate permitting for certain projects.
- Speed up construction procurement processes that drive delays and increase costs.

- Eliminate some of the massive paperwork retention and review requirements that delay project approvals without providing transparency or analytical benefits.

The [executive order](#) will create a Strike Team that will report to the Governor's Office to task a multitude of state agencies to identify high-priority infrastructure projects and hold agencies accountable for streamlining their permitting and coordinating review among departments.

Developments in these issue areas will be prioritized: transportation, energy, water, hydrogen, environmental mediation, broadband, zero-emission vehicles and the federal CHIPS and Sciences Act. Funding and permit streamlining will be focused in these areas.

The Governor's Office of Business and Economic Development (GO-Biz) is tasked with coordinating relevant state agencies to work with local governments and tribal authorities to streamline permitting for energy facilities.

Next steps will be rapid consideration by the Legislature of the just-introduced legislation, anticipated to be fast-tracked as part of the overall state budget negotiations.

**Contact:** [Loren Kaye](#)

## Prudent Budget Proposal Keeps Key Commitments, No Tax Hikes



Governor Gavin Newsom released his revised budget on May 12, revealing a larger revenue shortfall, higher estimated safety net spending, but even so not a fiscal emergency.

The combined revenue shortfall plus higher expenditures resulted in a \$31.5 billion gap from a fully funded workload budget.

### Bridging the Budget Gap

Given the massive state budget surpluses enjoyed by elected leaders and state fiscal officials over the past couple years, few were surprised that a shortfall even of this magnitude could not be bridged by:

- Rolling back funding from one- or two-year program augmentations, or recapturing unused funds.
- Delaying spending augmentations to later fiscal years.
- Shifting spending to other fund sources or to proposed general obligation bonds.
- Some limited borrowing.

Except for a small withdrawal from the Safety Net Reserve, the Governor did not propose using any of the \$37.2 billion in Rainy Day reserves to bolster the budget. Citing uncertainty and risks of a possible (but not forecasted) recession, higher interest rates, uncertainty in the financial institutions sector and federal debt limit reauthorization, and delayed tax filing deadlines, the Governor made the prudent decision to retain the option to use these reserves if the fiscal situation deteriorates further.

### Opposition to Tax Hikes

Governor Newsom was also firm in opposing tax increases to offset any of the spending reductions, delays or fund shifts he has already proposed.

Asked whether he would give consideration to a corporate tax increase proposed by Senate Democrats, the Governor insisted that, “It's not the right time, and it's not the right thing to do.” He further explained that raising taxes would be unthinkable even as the state was still returning tax rebates to middle class Californians, and living off of a \$100 billion revenue surplus from prior years.

CalChamber President and CEO Jennifer Barrera agreed, lauding the Governor for “maintaining his commitment to a balanced, prudent, and growth-oriented state budget in the face

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## Veteran Journalist Explains Evolution of State's Political Landscape



Photo by bryanpatrickphoto.com

Longtime political columnist Dan Walters of CalMatters gives CalChamber Capitol Summit attendees a rundown of California's social, demographic and political landscape, including the evolution of the State Capitol from Republican dominance in the 1980s to the "super-duper" Democratic majorities today. He says the progressive wing of the Democratic party and its ambitious agenda have been stymied by factors such as the success of the CalChamber job killer program (90% of job killer bills have gone away, some without a vote), the pandemic, and the swing in state revenues from last year's "illusionary" \$97 billion surplus to this year's projected deficit of at least \$32 billion (assuming there is no recession).

## Panel Weighs Past/Future Solutions to Housing/Homelessness Crisis



Photo by bryanpatrickphoto.com

A morning session at the CalChamber Capitol Summit on May 17 gives an opportunity for panelists to share success stories and future plans to craft policies that will move the state toward resolving California's persistent housing and homelessness crisis. (From left) Moderator Micah Weinberg of California Forward; Patricia Torres Bruno, Los Angeles Area Chamber; Amanda Blackwood, Sacramento Metro Chamber; Senator Scott Wiener D-San Francisco; and Assemblymember Buffy Wicks (D-Oakland). Wiener and Wicks talked about bills they have worked on as chairs of the Senate and Assembly Housing committees, respectively. The chamber representatives described the efforts undertaken in their communities.



## Governor's Adviser Outlines Recent Business Resiliency Projects



Photo by bryanpatrickphoto.com

Dee Dee Myers, senior advisor to the Governor, chats with Nick Ortiz, CalChamber vice president of local chamber relations, about why the Newsom administration remains bullish on California. Myers, who also is director of the Governor's Office of Business and Economic Development (GO-Biz), says priorities for GO-Biz in recent months include increasing in-state manufacturing of computer chips, working to extend the film and television tax credit for another five years and make it refundable for the first time, and moving to invest \$600 million in community economic resilience funds approved by the Legislature and Governor in projects throughout the state. She thanked business leaders in the room for their efforts to keep employees safe during the pandemic and urged them to "tell your story better and more" with local electeds and state officials.

## CalChamber Policy Advocates Put Spotlight on Priority Business Issues



Photos by bryanpatrickphoto.com

(From left) Adam Regele, CalChamber vice president of advocacy and strategic partnerships, moderates a quick look at CalChamber-opposed priority bills that haven't been tagged as-job killers at the CalChamber Capitol Summit on May 17 with policy advocates Rob Moutrie, Brenda Bass and Brady Van Engelen. Subjects included pending legislation to apply a workplace violence standard written for hospitals to all workplaces; a proposal to give the State Water Resources Control Board expansive new authority to regulate water use and insulate the board from judicial review; an emissions reporting requirement affecting businesses of all sizes and in multiple industries throughout the supply chain; and a labor-sponsored bill that changes the state's direct democracy process to essentially eliminate the ability for anyone to qualify a referendum.

## Host Breakfast Speakers Highlight Infrastructure, State's Innovation

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in California's history. And the only thing that gets in the way is a world we invented. And that's process and delay and manipulation," Governor Newsom said.

### Green Technology

Asked about the state's climate goals, the Governor touted California's leadership in carbon neutrality. The state has invested in a wide range of green technologies, such as battery storage, carbon capture, green hydrogen and more.

In fact, the state is converting old industrial facilities into large bio green facilities, creating thousands of jobs and bringing in billions of dollars of investment, he said.

The transition to green energy is going to be "the biggest transformation in our lifetime," the Governor said, and California is poised to dominate the transition.

"...we dominate in this space; it's one of our biggest exports," he said. "This is...the one thing that I think separates our game from the game played almost anywhere else and is one of the greatest economic opportunities of our lifetime."

The Governor also cautioned against forgetting how great the state is. The state still dominates in "every major category," he said.

He pointed out that California is the No. 1 state for manufacturing, agriculture, hunting and forestry jobs, two-way trade and direct foreign trade. California has 51% more startups, and since the last two decades, more than half of the venture capital in the U.S. is coming out of California.

"Our home state, the Golden State, in the next few decades will be a golden era of California if we maintain our wits, maintain our confidence, and continue to accelerate our nation-leading policies," Governor Newsom said.

### Pay Equity

The discussion closed on the issue of pay equity, and Governor Newsom thanked the CalChamber for signing California's Equal Pay Pledge.

Family- and women-friendly workplace policies are a "no-brainer" and foster company growth and success, he said. California is making gains in this area, with the percentage of women serving on corporate boards doubling to 33% since 2018.

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Photo by bryanpatrickphoto.com

California Governor Gavin Newsom and CalChamber President and CEO Jennifer Barrera at the 97th Annual Sacramento Host Breakfast on May 18, 2023 in Sacramento.



Photo by bryanpatrickphoto.com

The Honorable Willie Brown (left), former California Assembly Speaker and two-term San Francisco Mayor, answers questions posed by CalChamber Chair Gregory S. Bielli at the 97th Annual Sacramento Host Breakfast on May 18, 2023 in Sacramento. Subjects covered in the entertaining exchange included how Brown made the transition from the longest-serving Assembly Speaker to Mayor of San Francisco, how term limits have led to policy decisions "based upon party preference and that is not people preference" in the state, and why California remains a beacon of opportunity for young people.



*Remarks by Gregory S. Bielli*

# Find Common Ground, Path to Solutions to Produce Long-Term Success for All

*Following are remarks presented by Gregory S. Bielli, 2023 chair of the California Chamber of Commerce Board of Directors, at the 97th Annual Sacramento Host Breakfast on May 18. Bielli is president and chief executive officer of Tejon Ranch Company, Lebec.*

Good morning everyone. It's a pleasure to be here this morning, and I'm honored and humbled to have this opportunity to address the 97th Annual Sacramento Host Breakfast as the 2023 chair of the CalChamber.

And congratulations to the Host Committee and to all of you who have been responsible for organizing this amazing event where we come together to recognize the importance of friendship, leadership, and working together toward a better California for all.

I'd also like to congratulate and recognize our Armed Forces, honorees and those Armed Forces members and veterans in attendance today. As a father of an Army Reservist who was deployed twice and is still in the Reserves, I know how much you and your families sacrifice for us all. Please give them a round of applause... We are so indebted to you and thank you and your families who continue to support us.

It is wonderful to be with so many California leaders in this room today and those whom I've been working alongside at the CalChamber. Thank you to California's business community for leading the way in so many critical areas of our state!

We all owe California employers and their employees — who have worked through some of the most difficult imaginable times over the past few years — a huge debt of gratitude.

## Tejon Ranch

For many of you who have driven the stretch between here and Southern Cali-

fornia, you may have seen our little part of the world — a small tract of land ... 270,000 acres ... called Tejon Ranch.

I was fortunate to come to Tejon Ranch Company in 2013, following a career overseeing entitlements, developments, and management of master plans in the West and Southeast.

I've also enjoyed the opportunity to serve as a local elected official for eight

of Bakersfield, with the Interstate 5 forming our western boundary, Tejon Ranch traces its origin to four Mexican land grants dating back to 1843, seven years before statehood [1850]. It's a special place to those of us who work there, and to those who get to visit.

We often say that the 180-year history of our time caring for the ranch is only a small period. It will always be a unique treasure for California.

## ***From Gold Rush to Present***

Here's a little history so when you're driving down I-5 and drive by the ranch, you can have it in perspective.

California's Gold Rush brought with it conflicts between gold seekers, the settlers and California's indigenous communities. To keep the peace and protect both, Fort Tejon was built on the Grapevine Canyon along the Los Angeles-Stockton Road, the primary route to the gold fields from the Southern California area.

Until it closed at the onset of the Civil War, Fort Tejon — and the area surrounding it — was one of the largest populated settlements in Southern California. So building communities in the area is certainly not unprecedented.

Throughout the mid-to-late 1800s, Rose Station, located at the southernmost section of the San Joaquin Valley, just before you begin climbing the Grapevine, was a stagecoach stop on the Butterfield Stagecoach Line. It was a place to rest and replenish for travelers.

Today, what was once home to Rose Station is now a thriving commercial/industrial development, with over 20 million square feet, entitled and — of course, it's California — litigated.

The Tejon Ranch Commerce Center, including the Tejon Outlets, has over 100 EV [electric vehicle] charging stations,

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Photo by bryanpatrickphoto.com

CalChamber Chair Gregory S. Bielli speaks at the Sacramento Host Breakfast on May 18.

years and understand the daily challenges of those who choose — and their families who choose — to be in public office and public life.

Simply put, I'm a family guy, a business guy who's in a 12-step recovery program from my political career.

## ***Real Estate/Agribusiness***

Tejon Ranch Company is a New York Stock Exchange publicly traded real estate development and agribusiness company whose principal asset is California's historic Tejon Ranch. Tejon Ranch is the largest single expanse of private property in the state of California and still a working ranch.

To give you a physical perspective, if you overlay the ranch on the Bay Area, you could cover part of San Francisco, the entire Bay and all the way over to Oakland.

## ***Origin***

Located north of Los Angeles, south

# Find Common Path to Solutions to Produce Long-Term Success for All

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one of the top five Starbucks in the country, and has over 5,000 employees.

## **Conservation**

It was in 2008 the company came to an historic agreement with five environmental organizations, setting aside 90% of the ranch for conservation purposes; 10% will continue to have opportunities for development, with 240,000 acres conserved under the agreement. It captures approximately 3.3 million tons of carbon, which is equivalent to the carbon produced by 2.5 million passenger vehicles (5% of the California fleet) in one year. The agreement was even endorsed by state agencies. Governor Schwarzenegger showed up for the signing.

And even with the challenges of the entitlement process in California, we've been able to achieve local approvals for 35,000 residential units and 35 million square feet of employment. We have successfully prevailed in nine large litigation cases, with only one piece of litigation and approvals still to go to materialize the development opportunities.

## **California Policies**

Tejon is emblematic of California. We have a deep, rich history; we are incredibly diverse in our land, our uses, our employees, and our vision for the future. And like California, we find solutions to these challenges every day.

My belief is that the issues before us — both at Tejon and in the state of California — will most effectively be solved by working together and be a solutions-oriented program. Antagonism is counterproductive. Finding common ground on issues and building relationships — like we are doing here this morning — is a theme at the CalChamber. I strongly believe that this approach will serve our state, our businesses, our local workers, and our communities well.

I'm aware of the myriad challenges our state faces. And I'm aware there is no shortage of critics of our state, but I think this morning, it's important to remind everyone: California does a lot of things well.

## **Global Crossroads**

California is a global crossroads, for people, goods, services. International trade is our lifeblood, responsible for a quarter of all California jobs and reliable sources of growth and investment in the state.

In March, the CalChamber played a leadership role in the 2023 California Japan trade mission led by Lieutenant

Governor Eleni Kounalakis, made up of 55 private sector leaders from agriculture, energy, tourism, clean technologies, as well as representatives from many state agencies. The mission was a success.

Speaking of tourism, we didn't invent it, but California has pretty much perfected the tourism experience. And you can go anywhere in our state and enjoy it.

One of the reasons for our leadership in innovation is our world class system of higher education, including the greatest research university in the world, the University of California; the greatest producer of undergraduate degrees in the country, the Cal State University; and our great community college system.

## **Good Public Policy**

At the CalChamber, we don't believe we can complain about public policy without offering productive solutions or forums to address them. Our goal is good public policy, and we will be an honest broker driving toward a win-win solution.

## **Private Attorneys General Act**

The great example of this is our effort to resolve one of the most intractable litigation burdens our companies face under the Private Attorneys General Act. PAGA lawsuits create enormous liabilities for employers, often for trivial mistakes — and with most of the settlements going to lawyers, not the workers.

The business community is working to educate voters and policy makers about the fact that workers aren't winning PAGA claims — trial lawyers are. We've put an initiative on the 2024 ballot that will fix this problem with better outcomes for employees and California businesses.

## **Equal Pay Pledge**

Believe me, the workplace is our most important concern, because it is where business happens. That's how we succeed or fail as employers. Policies and practices — like signing the California Equal Pay Pledge as the CalChamber recently did — highlight how we, as employers, can take proactive steps to create even better workplaces.

## **Water**

Water is key to our future. And today there's a temporary break in the stress. But we have a long-term challenge to meet the diverse and critical needs of our farmers, residents, and industry — and to support the fish and natural habitats.

Bearing witness to both drought and floods, we think people of good faith can agree on a comprehensive, reliable plan for

the future. Desalination, recycling, basin management with direct injections into our basins to stabilize them. Other ways to be efficient with our water resources.

We cannot let our foot off the pedal. Even with the rains, another drought will come. And so let's push for solutions today even though there's a feeling that we're out of the woods. Because we are not.

## **Mental Health**

We supported Governor Newsom's bold CARES initiative to address severely mentally ill and drug-addicted homeless individuals and look forward to engaging with him and his administration on further initiatives on mental health.

## **Housing Cost/Availability**

And the issue close to my heart ... the greatest cause of poverty in the state and of California's exodus ... is the high cost and low availability of housing. You know what? Nobody disagrees with this! It seems like a good place to start to get the agreement to drive costs down, time savings and balancing interests when it comes to sheltering families and workers who want to thrive in California. It's simple. It's supply. Growing the net worth of our families through home ownership needs to be a goal that we all embrace. We have all enjoyed in our lives this growth. Why can't we pass the joy and financial stability on to our children?

## **Resolve for Problem Solving**

With all the challenges before us, it becomes easy to be overwhelmed. Rather, I'm optimistic. When we work alongside CalChamber member companies and their employees, I see a resolve for problem solving. I see the will to get to "yes."

My final comment today is to encourage all of us to approach California's challenges with optimism, an attitude of how can we get to "yes"? A determination not to just do the easy "populist" thing.

Let's get down to the serious work of finding common ground and a pathway that will provide more and better opportunities for Californians.

When I was an elected official, sitting on that dais, I had a saying: "Where there is ignorance, there is politics." Our void of sharing knowledge in trying to work for solutions sometimes is filled with simple ignorance.

Working hard to get to "yes" produces long-term success stories for everyone and overcomes the political short-term thinking.

Thank you again, and let's keep moving all our families and our employees forward in California.

## Two Job Killer Bills Held in Appropriations; 2 Job Creators Move

From Page 1

are legally not allowed to hire individuals with certain convictions.

### Remaining Job Killer Bills

The following job killers remain alive:

- **AB 259 (Lee; D-San Jose) / ACA 3 (Lee; D-San Jose) Wealth Tax.** Seeks to impose a massive tax increase upon all forms of personal property or wealth, whether tangible or intangible, despite California already having the highest income tax in the country. This tax increase will drive high-income earners out of the State as well as the revenue they contribute to the General Fund.

- **AB 524 (Wicks; D-Oakland) Expansion of Litigation Under FEHA.** Exposes employers to costly litigation under the Fair Employment and Housing Act by asserting that any adverse employment action was in relation to the employee's family caregiver status, which is broadly defined to include any employee who contributes to the care of any person of their choosing, and creates a *de facto* accommodation requirement that will burden small businesses.

- **SB 365 (Wiener; D-San Francisco) Undermines Arbitration.** Discriminates against use of arbitration agreements by requiring trial courts to continue trial proceedings during any appeal regarding the denial of a motion to compel, undermining arbitration and divesting courts of their inherent right to stay proceedings.

- **SB 399 (Wahab; D-Hayward) Bans Employer Speech.** Chills employer speech regarding religious and political matters, including unionization. Is likely unconstitutional under the First Amendment and preempted by the National Labor Relations Act.

- **SB 525 (Durazo; D-Los Angeles) Costly Minimum Wage Increase.** Imposes significant cost on health care facilities and any employer who works with health care facilities by mandating increase in minimum wage to \$25.

- **SB 616 (Gonzalez; D-Long Beach) Costly Sick Leave Expansion on All Employers.** Imposes new costs and leave requirements on employers of all sizes, by more than doubling existing sick leave mandate, which is in addition to all other enacted leave mandates that small employers throughout the state are already struggling with to implement and comply.

- **SB 627 (Smallwood-Cuevas; D-Los Angeles) Onerous Return to Work Mandate.** Imposes an onerous and stringent process to hire employees based on seniority alone for nearly every industry, including hospitals, retail, restaurants and movie theaters, which will delay hiring and eliminates contracts for at-will employment.

- **SB 723 (Durazo; D-Los Angeles) Onerous Return to Work Mandate.** Imposes an onerous and stringent process for specific employers to return employees to the workforce for specified industries, including hotels and restaurants that have been disproportionately impacted by this pandemic, and removes guardrails on existing law by making mandate permanent and significantly broadening the applicability of the law.

### Job Creators

By passing their Appropriations committees, the following job creator bills met the May 19 deadline for fiscal committees to send bills on for consideration by the entire Assembly or Senate:

- **AB 52 (Grayson; D-Concord) Manufacturing Tax Credit Expansion.** Expands investment and production in California by expanding the sales and use tax exemption for the purchase of manufacturing and research and development (R&D) equipment.

- **SB 301 (Portantino; D-La Cañada Flintridge) Conversion to Zero-Emission Vehicles.** Incentivizes production of zero-emission vehicle parts in the state, increasing manufacturing and jobs, by offering a rebate for zero-emissions vehicle conversions.

### Also Stopped

Among the priority CalChamber-opposed bills also stopped were:

- **SB 556 (Gonzalez; D-Long Beach) Civil Liability.** Sets disturbing precedent by creating liability without proof for oil well owners/operators if individuals who lived within 3,200 feet of a wellhead develop certain health conditions.

- **AB 331 (Bauer-Kahan; D-Orinda) Bias and Discrimination Through Automated Decision Tools.** Regulates all uses of automated decision tools (ADT) making consequential decisions with overly broad prescriptive mandates on how ADT developers/deployers assess and deploy the tools, including by conducting non-confidential impact assessments and requiring notice and opportunity to opt-out to be provided to individuals subject to an ADT. Makes "algorithmic discrimination" violations subject to a private right of action or civil enforcement action. Sets penalties up to \$10,000 for each failure to submit the mandated ADT assessment to the Civil Rights Department and allows CRD to share these assessments for any purpose with other state agencies.

- **SB 687 (Eggman; D-Stockton) Delta Conveyance.** Stops progress on the Delta Conveyance Project until Bay-Delta Water Quality Control Plan is updated and fully implemented. Holds infrastructure project to modernize California's water system hostage until a lengthy planning process is both complete and "fully implemented."

- **SB 224 (Hurtado; D-Sanger) Investment Ban.** Prohibits foreign governments from owning or leasing agricultural land, limiting ability for farmers to get mortgages and invest in their operations.

Overall, the Senate Appropriations Committee had 416 bills on its Suspense File. Of those, 90 (22%) did not pass.

The Assembly Appropriations Committee had 755 bills on its Suspense File; 220 (29%) did not pass.

## Prudent Budget Proposal Keeps Key Commitments, No Tax Hikes

From Page 5

of fiscal headwinds. By boosting reserves, refusing to increase taxes, and maintaining key investments in education, infrastructure, workforce, tourism, and public safety, this budget lays the groundwork

for California to withstand the impact of a possible economic downturn."

Barrera also highlighted "Governor Newsom's promise to focus on cleaning up homeless encampments, improving mental health services, strengthening

public safety, as well as his effort to expedite building in California." The Governor proposed adding funds to support interventions for severely mentally ill homeless individuals.

**Contact: Loren Kaye**



## Host Breakfast Speakers Highlight Infrastructure, State's Innovation

*From Page 8*

While the percentage is not where it needs to be, the Governor pointed out that California has the most woman-owned businesses in the country.

"And we haven't even gotten started," he added.

### Tejon Ranch

Bielli, president and CEO of Tejon Ranch Company, gave a summary of the rich historical significance of Tejon Ranch, including its connection to the California gold rush, and its strategic location as a vital link between Southern and Northern California (see [full text of Bielli's remarks](#)).

Spanning 270,000 acres in Kern and Los Angeles Counties, Tejon Ranch is the largest single expanse of private property in California. In 2008, Tejon Ranch Company made an agreement with environmental organizations to set aside 240,000 acres (90%) for conservation while allowing for development on 10% of the land.

Bielli acknowledged the challenges in the entitlement process but mentioned the successful local approvals for 35,000 residential units. He emphasized Tejon Ranch's commitment to conservation and its positive impact on carbon capture.

### California a Leader in Innovation

While the state has its challenges, Bielli said, it is important to remember that California does a lot of things well.

"California is a global crossroads, for people, goods and services," he said.

International trade, for example, is California's "lifeblood" and contributes to a quarter of all jobs in the state, he said. Bielli highlighted the successful 2023 California Japan trade mission led by Lieutenant Governor Eleni Kounalakis, which showcased the state's commitment to international trade and collaboration.

Bielli also lauded the University of California, California State University, and California's 116 community colleges as being the reason California is a leader in innovation.

### Productive Solutions

While acknowledging the challenges of doing business in California, Bielli emphasized that the CalChamber is focused on offering productive solutions on public policies.

He highlighted a 2024 ballot initiative to address burdensome Private Attorneys General Act (PAGA) lawsuits, which often result in significant liabilities for employers for trivial mistakes.

"The business community is working to educate voters and policymakers about the fact that workers aren't winning PAGA claims—trial attorneys are," he said.

Bielli also addressed the state's water supply challenges, noting that despite recent rainfall, long-term solutions are necessary to meet the diverse needs of

farmers, residents, and industries while supporting natural habitats. Comprehensive improvements in the state's water reliability, he said, include off-stream storage, desalination, recycling, basin management with direct injection projects to stabilize basins, and efficiencies that can serve the state's growth.

Lastly, Bielli touched on the state's high cost and low availability of housing, which is a significant cause of poverty and contributes to the state's population exodus.

"Growing the net worth of our families through home ownership needs to be a goal that we all embrace," he said. "We have all enjoyed it in our lives. Why then can't we pass this joy and financial security on to our children?"

In closing, Bielli urged leaders to approach the state's issues with a determination to find practical solutions that benefit all Californians.

"Let's get down to the serious work of finding the common ground—the pathway—that will provide more and better opportunities for California and Californians," he said.

**View videos of the  
Host Breakfast speakers at  
[calchamber.com/videos](http://calchamber.com/videos).**

## Reception Gives Consular Corps, Foreign Economic Partners Opportunity to Meet Governor Newsom, Other State Officials

Photos by bryanpatrickphoto.com



A CalChamber-hosted evening reception on May 17 gives members of the California Consular Corps and foreign economic partners, representing nearly 60 countries, an opportunity to meet with Governor Gavin Newsom and other state officials. Here, the Governor poses for a photo with the Consuls General of the Philippines, Malaysia, Indonesia and Myanmar.



At the CalChamber Consular Corps Reception are (from left) GO-Biz Director Dee Dee Myers, Governor Gavin Newsom and CalChamber President and CEO Jennifer Barrera.



Consul General of Japan Yasushi Noguchi greets Governor Gavin Newsom.



With Governor Gavin Newsom are the Consuls General of Estonia, Ukraine, Switzerland and Lithuania.

# Speakers Spotlight US, State Efforts to Foster Strong International Trade

Photos by bryanpatrickphoto.com



**Judith Pryor, First Vice President/Vice Chair, Board of Directors, Export-Import Bank**



**Dee Dee Myers, Senior Advisor to Governor Gavin Newsom, and Director, Governor's Office of Business and Economic Development**



**Caroline Beteta, President and CEO of Visit California**



Representatives from top state and federal agencies joined the California Chamber of Commerce International Forum last week to talk about how the United States and California are fostering international trade.

The May 17 forum brought together more than 150 attendees, including representatives from the business community, CalChamber Board members, representatives of the California consular corps and foreign economic partners, plus representatives of foreign, state, local and federal governments.

This year's forum speakers were:

- Judith Pryor, First Vice President/Vice Chair, Board of Directors, Export-Import Bank (EXIM), who gave an overview of how EXIM helps businesses succeed in international markets;
- Dee Dee Myers, Senior Advisor to Governor Gavin Newsom, and Director, Governor's Office of Business and Economic Development, who detailed state efforts to encourage foreign direct investment; and
- Caroline Beteta, President and CEO, Visit California, who spoke about the important role tourism plays in the state and local economies.

## Judith Pryor

Judith Pryor, the forum's first speaker, spoke about how the Export-Import Bank (EXIM) supports American companies, workers, and exports.

As the official export credit agency of the United States, EXIM provides important tools to businesses, such as providing direct loans, loan guarantees, medium- and long-term financing, and export credit insurance.

The goal of the agency, Pryor said, is "to reduce the risk of exporting and ensure that American-made goods and services have a level playing field on which to compete internationally."

Pryor highlighted several companies that have benefited from EXIM's programs. One company she highlighted was PanDia Seeds, Inc., a wholesale seed small business based in Ventura that focuses on innovative research and development. The company had been investing in climate smart seeds since their founding, and needed the ability to offer extended payment terms to foreign buyers that didn't want to pay cash in advance. The company was able to offer extended payment terms thanks to EXIM's export credit insurance. This insurance protects PanDia's foreign receivables from nonpayment, and since working with EXIM, the company has expanded into Latin America and the Caribbean.

"Their exports now represent 97% of their total revenues," Pryor said.

While the majority of small businesses in California export their goods or services, Pryor estimates there are four million small businesses that are not export ready. And exporting is important, she said, because 95% of the world's consumers live outside our borders.

"U.S. companies that export grow faster, weather financial storms better, they're less likely to go out of business, and they tend to be more profitable," Pryor stressed. "EXIM's job is to help take the risk out of financing, so that these companies can export with confidence, regardless of size, sector, region, whether short-term export credit insurance, or long-term buyer financing."

Pryor also highlighted a new program at EXIM, the "Domestic Finance Initiative."

This program is part of President Joe Biden's executive order relating to shoring up critical supply chains and makes available EXIM's suite of finance and insurance offerings to export-oriented domestic manufacturing projects.

## Dee Dee Myers

Following Pryor's remarks, Dee Dee Myers took the podium to speak about California's efforts to support foreign direct investment.

*See Speakers Spotlight US: Page 17*



# Can Fed Bring Down Inflation Without Pushing Economy Into Deep Recession?

## Rate Decisions

### *Recent Bank Failures Pressure Markets and Fed on Rate Decisions*

One more rate hike and then pause? Leading economic indicators have turned deeply negative. Inflation is down to 5% from the high of 9.6%. Markets are now pricing in rate cuts before year end.

The Fed could and should pause here, but may not. This has been the fastest rise in rates in history, and there usually is a lag between rate increases and economic slowdown observable through data.

## Impact of Tighter Standards

### *Tightening Standards Will Slow Down Economy Further*

Consumers and businesses already are experiencing the negative impacts from the higher cost of borrowing. The recent bank failures and concerns about the stability of checking deposits also may tighten lending standards further.

There is a risk that banks will adopt a more cautious approach to lending and further reduce the total amount of credit they offer due to the uncertain timing of depositor withdrawal requests.

The decreased credit supply and access to credit could have a domino effect, impacting the economy and financial markets over time.

## Labor Market

### *Labor Market Participation Rebounds Despite Early Retirements*

Labor market tightness was a contributing factor to high inflation during the pandemic recovery.

Economic activity soared, labor supply tightened, and businesses struggled to find enough employees. As a result, employers raised wages to keep their current employees and attract new employees, which drove wage inflation.

Wage inflation moderated as the participation rate rebounded, which has helped ease inflation pressures.

from soaring inflation and allow central banks to slow their pace of tightening. If crude oil prices reverse higher, inflation pressures could remain sticky.

## Housing

### *Housing Market Cooling Off with San Francisco and West Leading Decline*

Higher mortgage rates have made monthly payments significantly more expensive and homeownership more difficult for many potential homebuyers, causing demand to dry up and home prices to reverse lower.

Home prices are down across most U.S. cities. With mortgage rates still elevated and banks tightening lending standards, there could be room for home prices to decline further.

The one factor that may stabilize home prices — homeowners that locked in low interest rates during the past

few years have little incentive to sell their homes and finance a new home loan at current interest rates, which may limit housing supply and in turn prevent a significant decline in home prices.

## Corporate Profits/Small Business

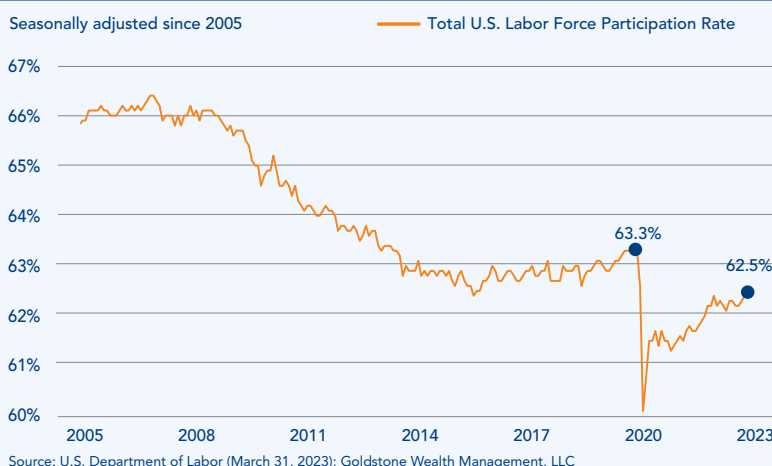
### *Corporate Profit Margins & Small Business Survey Results*

There are two primary takeaways to point out.

- First, corporate profit margins rose significantly during the pandemic as economic activity accelerated and pricing power allowed companies to more than pass through their increased costs.

*See Next Page*

## U.S. Labor Force Participation Rate



However, if the participation rate remains weak, labor markets could continue to be a source of inflationary pressures in coming years.

## Global Oil

### *Global Oil Prices Drop to 16-Month Low Due to Demand Concerns*

The steady rise in oil prices from 2020 through the first half of 2022 sent headline inflation skyrocketing across the globe.

However, data shows inflationary pressures are easing, with the year-over-year growth of inflation declining each month since peaking at +8.9% y/y in June 2022.

If oil prices stabilize or continue their downward trajectory, it could offer relief

## Can Fed Bring Down Inflation Without Pushing Economy Into Deep Recession?

*From Previous Page*

• Second, profit margins tend to decline when the economy contracts, such as the 2008 financial crisis and early in the COVID pandemic. Profit margins contracted in recent quarters, and investors will be watching earnings closely to see if margins stabilize in the coming quarters.

Small business owners see wages and prices continuing to rise during the next three months, but forecast a more muted sales outlook with expectations for lower sales.

Pricing power and expense management will be key for defending profit margins, particularly against a backdrop where demand may start to fade.

### Equities Performance

#### *U.S. Equities Performance Sees Growth Come Back into Fashion Versus Value*

The worst performing sectors in 2022 are the top performing sectors in 2023, while 2022's top performing sectors are broadly underperforming to start 2023.

Growth sectors significantly underperformed in 2022 as the Federal Reserve's interest rate increases weighed on expensive growth stock valuations. Growth

stocks tend to be higher-quality businesses with stronger fundamentals.

The performance reversal suggests investors took advantage of growth's oversold nature and superior fundamentals to rotate into higher-quality compa-

interest rates to 0%, and for most of 2021, trended sideways to slightly lower as corporate earnings rebounded and the S&P 500 grew into its valuation.

The earnings multiple then collapsed in 2022 as the Federal Reserve aggressively raised interest rates, which weighed on expensive growth stock valuations.

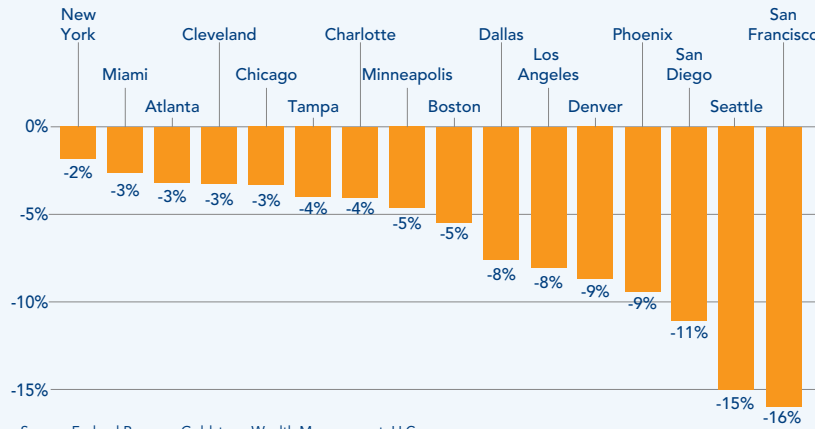
As of the end of the first quarter, the S&P 500 trades approximately 18 times its next-12-month earnings versus the average of 16 times since 2000. Current multiples are in line with the range from 2015–2020.

The next test for the S&P 500 is earnings, with the first quarter 2023 earnings season to start in mid-April.

**Staff Contact: Nicole Wasylikiw**

### Percentage Change from Peak Home Prices by City

Current Price Index vs. Peak Home Price



Source: Federal Reserve; Goldstone Wealth Management, LLC

nies after bank failures raised concerns about the U.S. financial system's stability.

### Corporate Earnings

#### *Can Corporate Earnings Hold Up to Support Market Valuations and Price-to-Earnings Ratios (P/Es)?*

The Standard & Poor's (S&P) 500's earnings multiple soared early in the pandemic as the Federal Reserve cut



*This economic outlook report is adapted from the special report presented to the CalChamber Board of Directors by Dr. Sanjay Varshney, Ph.D., CFA, principal, founder and chief economist, Goldstone Wealth Management, LLC.*

## Speakers Spotlight US, State Efforts to Foster Strong International Trade

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California plays an outsized role on the world stage and has a special relationship with countries around the world, Myers told attendees. International trade is very important for the state, and the International Affairs and Trade team within the Governor's Office of Business and Economic Development (GO-Biz) advises the governor and lieutenant governor on strategies to develop and grow partnerships, engage with other countries, provide recommendations to promote and expand California's trade and foreign direct investment.

The team's work, she said, has three pillars:

- Attracting foreign investment that brings jobs to California;
- Supporting small business in accessing global markets; and
- Engaging in sub-national diplomacy.

Foreign direct investment is a robust part of the state's economy. Last year, there were more than 18,000 foreign-owned firms in California, employing more than 635,000 Californians, Myers said. Between 2020 and 2022, the state experienced an increase of 270 foreign-owned firms, with 5,300 new jobs.

To continue fostering innovation and investment in the state, Governor Gavin Newsom expanded the California Competes Tax Credit program. These business grants are creating thousands of full-time jobs in California and will bring in \$3.3 billion in new investment, Myers said.

One company utilizing this grant is Sparks, Myers said. This battery company

has a grant-established facility in the Central Valley to create cobalt-free lithium-ion batteries, which makes batteries cheaper and doesn't have the detrimental environmental impacts of extracting the minerals from the earth.

California's export promotion strategy is focused on advancing critical sectors

by 30% of tourism revenue. Areas like Catalina, Mammoth Lakes, and many other counties totally rely on outside visitor dollars to fund infrastructure and services for everyone in California.

But one of the most important aspects of tourism is that it is "catalytic." It's a catalyst for businesses beyond tour-

ism, Beteta said. An Oxford study found that 13% of executives with site selection responsibility stated their perception of an area's business climate was influenced by personal leisure travel and 37% by business travel.

"We like to say we service all of you, and hope that that creates new business development opportunities by the mere fact that we're hosting visitors from around the world here in California," she said.

Tourism in California is roaring back from the slump caused by

the COVID-19 pandemic. Visitors spent \$134 billion in 2022, which is 93% of the state's 2019 all-time high.

"If you divide that by every household in California, that's \$906 less in taxes we have to pay as individuals because of that infusion of visitor dollars," Beteta pointed out.

California is the No. 1 travel destination in the United States, which is one-and-a-half times the size of the Florida tourism economy and five times the size of the Hawaiian tourism economy.

Beteta closed her remarks by showing attendees several tourism commercial ads created by Visit California to entice travelers to California.

**Staff Contact: Susanne T. Stirling**



Photo by bryanpatrickphoto.com

(From left) Judith Pryor, EXIM; Jennifer Haley, Kern Energy and chair of the CalChamber Council for International Trade; Susanne T. Stirling, CalChamber; Dee Dee Myers, Governor's advisor; and Caroline Beteta, Visit California, at the 2023 CalChamber International Forum on May 17.

of its economy, such as advanced manufacturing, health care and biotech, information technology and cybersecurity, and aerospace and defense.

"We want to ensure that California remains a top exporting state," Myers said.

### Caroline Beteta

Last to speak, Caroline Beteta spoke about how important tourism is to the state and local economies.

In California, foreign tourism generated \$17 billion in 2020. More than 500 cities in California levy a transit occupancy tax for visitors that stay in accommodations and lodging properties, she said. And 46 of those cities are powered



**Five California District Export Councils Gather at CalChamber**

See photos and more information at

[advocacy.calchamber.com/international/resources/district-export-council/](https://advocacy.calchamber.com/international/resources/district-export-council/)



## In Memoriam: Former CalChamber Chair Jack Diepenbrock



Sacramento attorney John V. (Jack) Diepenbrock, 1987 chair of the California Chamber of Commerce Board of Directors, passed away at his home on March 15 at the age of 96.

Diepenbrock, at that time a partner with Diepenbrock, Wulff, Plant & Hannegan, was the first Sacramentan to fill the CalChamber's top volunteer post. He served as a CalChamber Board member for 20 years, 1977–1997.

While chair, he co-led the business delegations that accompanied then-Governor George Deukmejian in 1987 to open the state's first overseas office in Tokyo and the second office in London. Diepenbrock also was on the business delegation that joined Governor Deukmejian for the opening of the Mexico City trade and investment office in 1989.

Diepenbrock was born in Sacra-

mento and earned his bachelor of science degree, *magna cum laude*, from the University of Santa Clara in 1949, and his law degree from the University of California, Boalt Hall, in 1952.

He served with the infantry and military policy of the U.S. Army in the United States and in the Philippines and Japan during World War II.

He was a member of the Sacramento, California and American Bar associations and maintained his membership in the American College of Trial Lawyers until his death. At that time, he was an attorney of-counsel at Diepenbrock Elkin Dauer McCandless LLP.

From 1953 to 1957, he was a professor of corporate law at the McGeorge School of Law, University of the Pacific.

Diepenbrock was a longtime board member of Mercy Foundation and Mercy Housing, Inc. He was a founding board member and later board chair of the Pacific Legal Foundation; a member of the Sacramento Host Committee for 43 years (1970–2013) and chairman in 1977–1978.

He served as finance co-chair for California for the first “Reagan for

President” campaign and played a role in the political campaigns of two U.S. Presidents, three California Governors, one Attorney General of California, a member of Congress and multiple local elected officials.

Over the years, he served as a director or trustee of more than 20 organizations that spanned diverse industries: banking and finance (Bank of San Francisco, Tahoe Savings and Loan Association, Capitol Bank of Commerce), publishing (The Sacramento Union Corporation), hospitals (Catholic Healthcare West), timber (Michigan-California Lumber Co.), high tech and communications (System Integrators, Inc., River City Cablevision), ice cream (Knudsen Corporation), affordable housing (Mercy Housing, Inc.), philanthropy (Mercy Foundation) and civic betterment (the Sacramento Symphony).

Diepenbrock's personal motto was “siempre adelante” (always forward) with its corollary “never look back.”

He is survived by his wife of 40 years, Karen, seven children and their spouses, 19 grandchildren and 12 great grandchildren.



LIVE WEBINAR | JUNE 15, 2023 | 10 AM - 11:30 AM PT

### Pregnant Pause: Providing Pregnancy and Child Bonding Leaves

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