



CalChamber Creates Center on Small Business Policy

Focus on Mobilizing Grassroots Advocacy



California Chamber of Commerce President and CEO Jennifer Barrera this week announced the creation of the CalChamber Small Business Policy Center, a new effort focused on mobilizing the

Nick Ortiz

power of small businesses in grassroots advocacy at the State Capitol.

Nick Ortiz, who joined CalChamber in February 2023, was promoted to head the new center, assuming the role of vice president of small business advocacy.

Critical to Economy

"Our small businesses and the hundreds of thousands of good-paying jobs they create are a critical element of California's economy," said Barrera. "It is more important than ever that our policy makers hear and fully understand the issues and costs our small business employers face in keeping their operations profitable and growing. CalChamber's Small Business Policy Center will be a game changer in our advocacy

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CalChamber President/CEO Moderates Conversation with Assembly Speaker Rivas



Assembly Speaker Robert Rivas (D-Salinas) is featured in an afternoon session at the Public Affairs Conference on October 25. CalChamber President and CEO Jennifer Barrera moderates the discussion. <u>The Workplace</u> New Laws California Employers Will Need to Follow in 2024



In Episode 187 of The Workplace podcast, CalChamber Associate General Counsel Matthew Roberts and CalChamber

Policy Advocate Ashley Hoffman review several new laws that will affect California employers in 2024: **SB 616 (Gonzalez; D-Long Beach)**, expansion of paid sick leave; **SB 848 (S. Rubio; D-Baldwin Park)**, reproductive-related bereavement leave; and two bills dealing with cannabis use, **AB 2188 (Quirk; D-Hayward)** and **SB 700 (Bradford; D-Gardena)**.

SB 616: Mandatory Paid Sick Leave Expansion

Effective January 1, 2024, California employers will need to provide employees with five days or 40 hours of paid sick leave, Hoffman explains. In the case of accrual caps where an employee accrues one hour for every 30 hours worked, the accrual can be capped at 80 hours or 10 days.

Why is there a difference between the hours and the days, Roberts asks?

Hoffman answers that although a work shift is often thought to be eight hours, that's not true for everyone. Some employees in the health care industry, for example, often work a 12-hour shift. *See New Laws: Page 3*

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<u>Labor Law Corner</u> Time Off for Crime Victims: What's Required Depends on the Crime



Matthew J. Roberts Associate General Counsel, Labor and Employment

An employee just informed me that they are a crime victim and need time off. What do we have to provide?

Whether you must provide time off depends on the type of crime they experienced and the reason they need to take time off from work.

There are two similar but distinct leaves for certain crime victims: crime victims' leave and victims of crime or abuse leave. These leaves generally require

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Email: alert@calchamber.com. Home page: www.calchamber.com. a specific, serious crime that necessitates the employee attending legal proceedings or obtaining medical treatment.

Crime Victims' Leave

The first type of leave that may be available is known as "crime victims' leave." There are two subsets of "crime victims' leave" and there is no specified length of time for either.

• The first subset provides time off to attend judicial proceedings if the employee or the employee's immediate family member, including a registered domestic partner or the partner's child, was the victim of a violent or serious felony (as defined by the Penal Code), felony theft or embezzlement.

• The second subset provides leave for proceedings involving the victims' rights. Qualifying "victims" and crimes are different from the first subset. In the second subset, "victims" can be only the employee or their spouse, parent, child, sibling or guardian. The qualifying person must be a victim of a specific crime identified in Labor Code Section 230.5(a)(2).

Various proceedings involving victims' rights are covered under this second subset, including any delinquency proceeding involving a post-arrest release decision, plea, sentencing, post-conviction release decision; or any other proceeding in which a right of the victim is at issue.

Crime victims' leave is unpaid; however, employees may use vacation, paid time off (PTO), or other personal leave for either subset. For the first subset, the law expressly allows the employee to use sick leave.

Employers are permitted to request documentation to substantiate the leave. For the first subset, the employee must provide the notice of the hearing. For the second subset, the employee may provide documentation from police, court or medical sources identifying the person as a victim of a qualifying crime.

Victims of Crime or Abuse Leave

Although similar in name to the crime victims' leave law, leave for "victims of crime or abuse" is a separate and distinct leave that provides unpaid time off for different reasons.

All employers, regardless of size, must allow victims of domestic violence, sexual assault, stalking or a crime that resulted in physical injury, or mental injury and a threat of physical injury *See Time Off: Page 6*

CalChamber-Sponsored Seminars/Trade Shows

More information at *www.calchamber. com/events*.

International Trade

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

- Cambodia Business Expo. Cambodian Chamber in California. November 9, Long Beach. *normarikawa@gmail.com*.
- MEDICA CEO Program. Governor's Office of Business and Economic Development (GO-Biz). November 13–16, Düsseldorf. *patricia.utterback@gobiz.ca.gov*.

APEC CEO Summit 2023. National Center for APEC (Asia-Pacific Economic Cooperation). November 15–16, San Francisco. (206) 441-9022.

2023 Cosmoprof Asia. GO-Biz. November 15–17, Hong Kong. (916) 447-7946. Arab Health. GO-Biz. January 29–February 1, 2024. *patricia.utterback@gobiz. ca.gov*.

California Pavilion at the Singapore See CalChamber-Sponsored: Page 3

Annual Meeting

In compliance with Article III of the bylaws, notice is hereby given that the annual meeting of the members of the California Chamber of Commerce, a mutual benefit corporation operating under the laws of the State of California, will be held on Friday, December 8, 2023, at 9 a.m. in Veranda Ballroom B at the Four Seasons Hotel, 757 Market Street, San Francisco, California, for the transaction of whatever business may be necessary.



New Laws California Employers Will Need to Follow in 2024

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One problem with SB 616 is that it's not clear whether the paid sick leave time can be given as a lump sum on January 1 or if it can be given on an employee's employment anniversary date.

For example, if an employee was hired in July and gets his lump sum in July, what happens with his time bank on January 1, Roberts asks?

Hoffman says that unfortunately the statute is not clear on this issue. The CalChamber will be collecting questions from members to send them to the California Department of Industrial Relations (DIR) in the hope of obtaining guidance before January 1.

SB 848: Reproductive-Related Bereavement Leave

The reproductive-related bereavement leave established by SB 848 is a separate leave from California's existing bereavement leave law, Hoffman says. The new leave applies to employers with more than five employees. Eligible employees are entitled to up to five days of bereavement leave that can be taken within three months of the event.

An eligible employee is someone who suffers from what is defined as a

reproductive loss event. This includes situations like miscarriage or stillbirth, unsuccessful assisted reproduction, failed surrogacy or failed adoption.

Regarding unsuccessful assisted reproduction, Hoffman says it's important to note that SB 848 specifically talks about artificial insemination or embryo transfer. This means that this is going to cover a procedure such as an in vitro fertilization (IVF) or intrauterine insemination (IUI).

Sometimes people receive assistance such as taking medications to help with reproductive issues and SB 848 doesn't cover those situations unless the employee meets the exact definitions in the statute, Hoffman says.

Unlike bereavement leave, the bereavement leave established by SB 848 doesn't allow employers to ask for documentation. The new law also has a cap: it grants up to 20 days a year. Both parents, including the non-birthing parent, are eligible for this leave.

AB 2188, SB 700: Cannabis Use

The last two bills discussed on the podcast deal with a person's use of cannabis and the requirement's impact on the California Fair Employment and Housing Act (FEHA). AB 2188 passed in 2022, but it had a delayed implementation date. The law will take effect on January 1, 2024, and will create a new protected class under the FEHA to add off-duty cannabis use.

Hoffman explains that the new law affects which tests employers can use to screen employees for cannabis use. Employers can no longer use hair tests as cannabis use can stay in those samples for weeks. Instead, employers can use only tests that measure psychoactive cannabis metabolites.

The law does not apply to some employers. Federal contractors and those in the construction and building trades are exempted from AB 2188.

Another cannabis-related employment law bill employers will need to know for the new year is SB 700.

This new law prohibits employers from asking job applicants about cannabis use, including in job applications or interviews. Also, information received about the applicant's cannabis use from criminal history is off limits unless the employer is specifically allowed to consider it under the Fair Chance Act.

SB 700 does not apply to federal contractors.

CalChamber-Sponsored Seminars/Trade Shows

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Airshow. GO-Biz. February 20–25, 2024, Singapore. (916) 447-7946.
Journey to Panama. San Diego Diplomacy Council. April 1–5, 2024, Panama. (619) 291-8105.
Hannover Messe: California Pavilion. GO-Biz. April 22–26, 2024, Hannover, Germany. *patricia.utterback@gobiz. ca.gov.*

Trade Winds – Europe. GO-Biz and U.S. Commercial Service. May 13–15, 2024 Istanbul, Turkey. Optional: May 9–10, 2024, Denmark or Romania; May 16–17, 2024, Poland or Italy. Register interest. *patricia.utterback@ gobiz.ca.gov*.

Farnborough International Air Show: California Pavilion. GO-Biz. July 18–22, 2024, Farnborough, United Kingdom. patricia.utterback@gobiz.ca.gov.



CalChamber Member Feedback

"CalChamber has a successful track record not only in the state Legislature, but with regulatory agencies, in the courts, and at the ballot box."

Christopher D. Howard President and Chief Executive Officer Sharp HealthCare



'Varsity' Legislators Present Mid-Session Perspectives at Conference



CalChamber Public Affairs Conference gives attendees the opportunity to hear the perspectives of seasoned legislators about this year's legislative session. From left are CalChamber policy advocate Ashley Hoffman (moderator), Senators Josh Newman (D-Fullerton), Anna Caballero (D-Merced) and Steve Glazer (D-Contra Costa), and Assemblymembers Heath Flora (R-Ripon) and Cottie Petrie-Norris (D-Irvine). Topics covered included the legislative process and effective advocacy.

A panel discussion on October 24 at the

CalChamber Creates Small Business Policy Center

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efforts, amplifying the voice of small business leaders in the State Capitol as legislation is being deliberated."

Day-to-Day Realities

"California needs to equip small businesses for success so our entire state economy can succeed," said Ortiz. "I'm excited to be leading an effort that will give a larger platform and more seats at the table to our small business employers. Consistently providing lawmakers with input on the realities of doing business in our state and the impact that more regulation can have on the day-to-day workings and profitability of a small company will be a key focus of the CalChamber's Small Business Policy Center. Our job is to be sure the lived experience of California's small business owners is understood at the State Capitol."

The CalChamber Small Business Policy Center is an addition to CalChamber's continuing legacy of partnering with local chambers across the state to improve California's business and jobs climate. In California, 55% of workers are employed in businesses with fewer than 100 employees.

In addition to his new responsibilities with the CalChamber Small Business Policy Center, Ortiz will continue to manage the Big City Chambers Coalition (BCCC) and direct several other aspects of CalChamber's grassroots advocacy efforts.

Jennifer Johnson, who has been with CalChamber for 13 years, serves in the role of director of local chamber relations, reporting to Ortiz.

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California Works Sutter Health: Working to Help Californians Access Health Care

CALIFORNIA WRKS

This article is a part of a series of profiles of CalChamber member companies that are contributing to the state's economic strength and ability to stay competitive in a global economy. Visit California Works to learn more about this series and read past and future profiles.



Dwindling access to health care is a nationwide issue with a big impact on California, and it is proving to be one of the toughest and most significant health policy issues we face. California has made great strides toward helping get most people access to health insurance;

however, getting a timely appointment or receiving the right care at the right place and time remains a challenge for many.

As one of California's largest health systems serving more than 3.3 million patients, Sutter Health is committed to helping close the health care access gaps. When patients cannot access timely primary care services or can access a hospital only for simple or routine procedures, it can have a negative impact on individual health outcomes and contribute to the escalating costs of care.

That is why Sutter Health is ramping up investments in solutions: addressing the critical health care clinician shortage, increasing the number of ambulatory care centers and bolstering Federally Qualified Care Centers.

Workforce Pipeline

Increasing the clinical workforce pipeline

One of the significant factors contributing to the access problem is a growing shortage of clinicians, nurses and other health care workers. As a result, patients experience delays in scheduling appointments or getting timely access to primary care, key specialty care and mental health care providers.

A study conducted by KFF estimates that 8 million people in California live in an area that has a shortage of primary care providers. A mid-range forecast by Let's Get Healthy California indicates the state would need about 4,700 additional primary care clinicians in 2025 and about 4,100 additional primary care clinicians in 2030 to meet demand.



It is clear California needs a more robust pipeline of clinical talent to bridge the widening gap. California must create more residency programs to keep medical students in the state and increase the likelihood they'll stay and build their practice here.

Sutter is leaning in to help solve this challenge. While it already operates 19 accredited graduate medical education (GME) programs across its system, training 200 resident physicians per year, Sutter plans on quadrupling its GME capacity with a goal of training 900 residents a year by the end of the decade and grow from six GME locations to 16.

Sutter also understands that California's patients and clinical needs vary widely — from small, rural communities to larger urban regions. That's why Sutter Health offers different GME programs to meet local needs; for example, Sutter Health has implemented a rural residency family medicine training track with the goal to attract, train and retain physicians

in the rural area of Jackson in Amador County and is pursuing a similar program in Crescent City in Del Norte County.

Meeting Patients

Meeting patients where they live with more care centers, better care capacity

The landscape of health care is shifting to be more responsive and convenient for patients. Sutter Health's aim is to meet patients where they are by expanding its presence in communities across California and accelerating digital health innovation. It plans on adding

25 new ambulatory care centers across its footprint in the next 4 years and it has embarked on an aggressive physician recruiting effort to hire 650 new clinicians by the end of this year alone with comparable goals in the coming years.

Developing more care centers that include a wide variety of health care services all in one location helps patients access the most appropriate level of care closer to home with less disruption in their daily schedules. And digital health solutions can maximize care delivery and *See Sutter Health: Page 6*



Sutter Health: Working to Help Californians Access Health Care

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improve management of chronic conditions and diseases.

Investing in Communities

Investing in communities to expand care and reach those in need

Sutter Health invests significantly in the health of California's diverse communities, including those where care is often difficult to access. As a not-for-profit health system, its goals include expanding access to health care beyond the walls of its hospitals and care centers.

In 2022, Sutter invested \$899 million in community benefit programs, which includes supporting community health partners and programs, providing free medical care to patients that cannot afford it and absorbing the unreimbursed costs of providing care to patients enrolled in Medi-Cal.

Sutter Health works with and supports community organizations to help identify, prioritize and address key community health needs, with a specific goal of improving community wellness and serving populations experiencing health disparities. Federally Qualified Health Centers (FQHC) play a unique and critical role in providing patients access to comprehensive clinical services in medically underserved regions.

Sutter's support for numerous FQHCs

throughout its Northern California footprint helped 300,000 patients access primary and specialty care services and 140,000 patients access mental health and addiction care services in 2022.

Sutter Health is proud to continue to find ways to make sure every Californian can access the highest quality care in the most convenient way possible. However, the problem cannot be solved alone and there is much more work to be done. Sutter Health looks forward to working alongside others to find new and better ways for patients and communities to improve their overall health and wellness.

Time Off for Crime Victims: What's Required Depends on the Crime

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("crime or abuse"), to take time off for related legal proceedings, including, but not limited to, obtaining a temporary or permanent restraining order, or other court-ordered relief to help ensure the health, safety or welfare of the employee or their child.

In addition, employers with 25 or more employees must provide employees who are victims of crime or abuse with time off to seek medical attention for injuries caused by the crime or abuse, to obtain services from a shelter, to obtain psychological counseling or mental health services, and to participate in safety training.

The crime or abuse leave is unpaid; however, employees may use leave under the California Healthy Workplaces, Health Families Act (HWHFA), vacation, PTO, or other personal leave.

Employers may request documentation to substantiate the employee's status as a victim of crime or abuse, including a police report, court order, other relevant evidence from the court demonstrating the employee's attendance in court, documentation regarding medical treatment, or even self-certification from the employee.

If employees are using HWHFA paid sick leave, employers should exercise caution about requesting documentation.

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.

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California-Israel Connection and Ways to Support Israeli Businesses



California and Israel have strong business connections based on multiple

links, friendships, shared values, aligned interests and exchanges supporting research, investment, entrepreneurship and innovation in both economies.

Israel boasts a highly advanced market economy that consists of a rapidly growing high technology sector supported by a strong venture capital industry. With a population of only 9.3 million, Israel had a gross domestic product (GDP) of \$522.03 billion.

Model Trade Agreement

The U.S.-Israel Free Trade Agreement (FTA), signed by President Ronald Reagan in 1985, was the first FTA the United States entered into and served as a model for many future trade agreements.

The FTA eliminates all custom duties between the two countries and has resulted in a huge increase in the overall volume of binational trade. Israel has one of the largest diamond industries in the world and also possesses a substantive service sector.

In addition, Israel also remains a world leader in telecommunications and software development. Its main exports include cut diamonds, high tech equipment, and agricultural products, particularly fruits and vegetables.

Israel depends on foreign imports of coal, petroleum, food and production inputs, especially because access to natural resources is relatively scarce.

In 2022, California exported \$1.96 billion to Israel, making it the state's 19th largest export partner, up from 24th in 2021. Imports from Israel to California totaled \$1.54 billion in 2022.

Israel is the 18th largest source of foreign direct investment (FDI) through foreign-owned enterprises (FOE) in California. In 2022, Israeli FOEs in California provided 6,743 jobs through 131 firms, amounting to \$807 million in wages. The top jobs by sector are manufacturing, professional and business services, retail trade, wholesale trade, and information (World Trade Center Los Angeles FDI Report).

The California-Israel relationship is built on human capital at its core. Active ties can be found between universities, institutions, non-governmental organizations, and businesses.

The Jewish populations in Los Angeles and San Francisco are the second largest and fourth largest concentrations of Jewish people in the United States, respectively, with 1.17 million Jewish people calling California their home.

California-Israel Chamber

The California-Israel Chamber of Commerce (CICC), based in San Francisco, is a nonprofit organization dedicated to promoting and strengthening the technology and trade relations between the business communities of California and Israel. CICC contributes to stronger commercial ties between Silicon Valley, Israel and global companies. CICC is working to maintain strong business ties between California and Israel during the crisis in Israel.

For those who would like to stand with Israel during this time, the CICC suggests a number of ways to support Israeli businesses and to help mobilize the Israeli innovation ecosystem:

• Look for **collaborative R&D** projects through the U.S.-Israel Binational Industrial Research and Development (BIRD) Foundation. The BIRD Foundation, founded in 1977, aims to stimulate, promote and support industrial R&D of mutual benefit to the private sectors of the United States and Israel, specifically within high tech industries.

• **Invest** in Israeli startups. Please contact Sharon Vanek, executive director of the CICC, for more information.

• Discover Israeli brands through Local Shopping, a nonprofit initiative to empower Israeli small businesses.

• Use your experience to **mentor Israelie tech** leaders and employees through the CICC's Executive Mentor Volunteer Program.

• Import from Israeli companies.

For more information, contact Iris at the CICC.

• **Support** California-based companies that have roots in Israel in sectors such as green energy, cybersecurity, insurance, fintech, SaaS service, consulting and more. For inquiries, please contact Sharon Vanek, executive director of the CICC.

• Remote outsource/hire qualified Israelis. For more information, contact *projects@ci-cc.org*.

• Support Israel's farming community by providing farmers with volunteers to harvest their produce so it doesn't rot in the fields. For more information, visit Leket Israel, the National Food Bank of Israel. Leket Israel was founded in 2000 to rescue healthy, surplus food, thus preventing food waste, and deliver it to those in need to eliminate food insecurity in Israel.

Tax Extension

Tax Extension for California Companies with Structured Ties to Israel

Due to the war in Israel, and after the combined efforts of the Israel Ministry of Finance, the Big 4 Accounting offices, and other professionals, the IRS has announced that an extension will be granted until October 2024 for submitting the 2022 U.S. federal tax returns and Reports of Foreign Bank and Financial Accounts (FBARs), as well as for making certain payments to the tax authorities.

This special extension is available to American taxpayers with certain Israeli affiliations. This includes Israeli residents with American citizenship, and American entities whose main activity is in Israel or whose tax returns are prepared by an Israeli tax preparer.

Amended tax returns that will be submitted by October 2024 are not expected to incur certain penalties.

CICC reports that EY Israel has offered to provide free overviews of the 2022 U.S. company tax return of the firms with structured ties to Israel, sharing insights on exposures, opportunities, etc. For any questions or to seek a tax return review, please contact *Yonatan*. *kasztan@il.ey.com*.



Global Trade Groups Forecast Economic Slowdown in Coming Months



Earlier this month, both the World Trade Organization (WTO) and the International

Monetary Fund (IMF) issued forecasts of slowing growth in international trade.

On October 5 the WTO lowered its trade growth forecast for 2023 due to a continued slump in global manufacturing. A few days later, the IMF followed suit, predicting an economic slowdown in the next year.

The WTO is predicting world merchandise trade to grow by 0.8% this year, a decrease from 1.7% in April, with 2024 growth remaining at 3.3%.

The WTO said the trade slowdown appears to be broad-based amidst persistent inflation, continued tight monetary policy, the war in Ukraine, and a strained Chinese property market. In addition, the WTO is beginning to see evidence of supply chain fragmentation that could threaten the positive outlook for 2024. WTO Director General Ngozi Okonjo-Iweala called the projected slowdown in trade for 2023 "cause for concern, because of the adverse implications for the living standards of people around the world."

IMF Projections

The IMF similarly is projecting that economic growth will slow to 3% this year, down from 3.5% in 2022, and to 2.9% in 2024, which is a 0.1-point downgrade from their 2024 prediction in July of this year.

The IMF sees inflation decelerating to 5.9% in 2023, down from 9.2% in 2022, and predicts 4.8% for 2024 with most countries returning inflation to target in 2025. The IMF sees a soft landing as a likely scenario for the global economy and labor markets, although the slow-down has been more pronounced for advanced economies.

The IMF, similar to the WTO, sees geoeconomic fragmentation as posing a risk to the global economy which could have macroeconomic consequences, including for the climate transition.

The IMF also warns that the Chinese real estate crisis poses a significant risk for the global economy due to diminished consumer confidence and investment in the country.

Multilateral cooperation can help ensure better growth outcomes, according to the IMF report, which recommends that countries avoid policies that contravene WTO rules and distort international commerce. The report calls for all countries to prevent geoeconomic fragmentation that impedes progress toward a shared prosperity.

Conflict Risks

Recent events in the Middle East also may add new risks to global economic growth. On October 12, WTO Director General Okonjo-Iweala warned that the Israel-Hamas conflict could have a "really big impact" on already-weak global trade flows if it were to widen throughout the region.



LIVE WEBINAR | NOVEMBER 2 | 10 - 11 AM PT

SB 553: California's New Workplace Violence Standards

Applicable to all employers in California except those in the health care sector, SB 553 has a significant list of workplace violence prevention requirements that employers must review and address before many of the provisions become effective in 2024.



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