

ALERT

CalChamber Opposition Pays Off

Job Killer Bills Die Early in New Legislative Year



As the new legislative year began, several job killer bills were laid to rest again following continued **strong opposition** from the California Chamber of

Commerce, local chambers of commerce and allied groups.

- **AB 1000 (Reyes; D-San Bernardino)**, a *de facto* ban of warehouses, was pulled from the agenda for a scheduled hearing in the Assembly Local Government Committee, which had rejected a previous version of the bill last year.

- **AB 259 (Lee; D-San Jose)**, seeking to tax all forms of personal wealth, was held on the Assembly Revenue and Taxation Committee Suspense File, but the Governor had already declared that concept not to be an option.

- **AB 1156 (Bonta; D-Alameda)**, creating a costly presumption in the workers' compensation system by presuming certain diseases and injuries are caused by the workplace, was never scheduled for a hearing following CalChamber opposition efforts.

AB 1000

As amended on January 3, AB 1000 failed to address the list of concerns

raised by a CalChamber-led opposition coalition and by some members of Assembly Local Government last year, the coalition pointed out in a letter to committee members.

AB 1000 was still far too prescriptive and would have led to the elimination of high paying jobs, quashed critically needed housing associated with mixed use developments in the region, increased vehicle miles traveled for heavy-duty vehicles coming from California ports, incentivized frivolous litigation with a new private right of action in California law, and exacerbated supply chain issues that would have increased the costs to move goods, thereby increasing the cost of living on all Californians.

As amended, AB 1000 continued to require a setback of 1,000 feet from "sensitive receptors" for all new or expanded logistics use facilities 100,000 square feet or larger in Riverside and San Bernardino counties and any city located within the two counties.

Like all prior versions, AB 1000 relied on significantly outdated information that will in effect create a *de facto* ban on warehouses throughout the region, which will have statewide implications to California's goods movement system. AB 1000 continued to create a new private

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U.S. District Court Reaffirms Support for Arbitration Use in Employment



On January 1, the U.S. Court of Appeals for the 9th Circuit made permanent the preliminary injunction it issued last year prohibiting the state from enforcing legislation that sought to ban the use of arbitration in employment.

This year's ruling in *Chamber of Commerce of the United States v. Bonta* ensures that arbitration can continue to be used as an efficient forum in resolving disputes by employees and employers in California.

The CalChamber led a large coalition of employers in challenging **AB 51** (Lorena Gonzalez; D-San Diego), which prohibited employers from requiring employees to arbitrate any disputes arising from the employee's employment.

In the successful lawsuit, the coalition argued that AB 51 conflicted with federal law (the Federal Arbitration Act), and if allowed to remain in effect, would have resulted in more litigation, significant delays in California's justice system, and increased costs for businesses and workers alike.

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Labor Law Corner

When Family Leave Time Ends, Other Protected Leaves May Apply



Sharon Novak
Employment Law
Expert

We have an employee who is currently on California Family Rights Act (CFRA) leave. She will exhaust this leave in one week. She has asked for an extension of leave for one month. Since she will no longer be entitled to the protections of CFRA, and she has indicated she cannot return to work for at least another month, we would like to terminate her employment. Are there any problems with doing this?

Yes, there is a problem with terminating an employee who has exhausted her protected leave and has requested additional leave.

The California Family Rights Act (CFRA), like its federal counterpart, the Family and Medical Leave Act (FMLA), provides for up to 12 weeks of unpaid leave for an eligible employee's serious health condition.

When an employee who has exhausted her CFRA/FMLA leave notifies her employer that she cannot return to work because of an ongoing medical condition and requests additional leave, the employer may have an obligation under the federal Americans with Disabilities Act (ADA) and the California Fair Employment and Housing Act (FEHA) to grant additional unpaid leave as a reasonable accommodation.

ADA and FEHA

The ADA and FEHA prohibit employers from discriminating against qualified individuals with disabilities. Employers are required to reasonably accommodate people with disabilities unless it would impose an undue hardship on their business.

A person is considered disabled if she has a physical or mental impairment

that limits one or more of her major life activities. Not all conditions covered by CFRA/FMLA are included within the coverage of ADA/FEHA.

For example, temporary conditions that may entitle an employee to leave under CFRA/FMLA may not qualify as a disability under the ADA.

Reasonable Accommodation

Under ADA/FEHA, additional leave following CFRA/FMLA protected leave may be required as a reasonable accommodation so long as it does not pose an undue hardship on the employer.

The first step in evaluating this employee's request for additional leave is to engage in a timely and good-faith interactive process. The "interactive process" is simply communication between the employee and the employer about her request for additional leave.

The employer should document its communications with the employee and its efforts to determine whether additional leave is reasonable.

Because the employee is asking for additional leave, the employer may ask for medical documentation that the employee is disabled and that additional leave is necessary.

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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. Publisher: Jennifer Barrera. Executive Editor: Ann Amioka. Art Director: Neil Ishikawa. Capitol Correspondent: Sara Proffitt.

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More information at www.calchamber.com/events.

Labor and Employment

2024 Employment Law Updates.

CalChamber. January 18, Costa Mesa; January 25, Online. (800) 331-8877.

International Trade

Arab Health. Governor's Office of Business and Economic Development (GO-Biz). January 29–February 1. patricia.utterback@gobiz.ca.gov.

California Pavilion at the Singapore Airshow. GO-Biz. February 20–25, Singapore. (916) 447-7946.

Journey to Panama. San Diego Diplomacy Council. April 1–5, Panama. (619) 291-8105.

Hannover Messe: California Pavilion. GO-Biz. April 22–26, Hannover, Germany. patricia.utterback@gobiz.ca.gov.

Annual Export Conference. National Association of District Export Councils. May 13–14, Washington, D.C.
Trade Winds – Europe. GO-Biz and U.S. Commercial Service. May 13–15, Istanbul, Turkey. Optional: May 9–10, Denmark or Romania; May 16–17, Poland or Italy. Register interest. patricia.utterback@gobiz.ca.gov.
Farnborough International Air Show: California Pavilion. GO-Biz. July 18–22, Farnborough, United Kingdom. patricia.utterback@gobiz.ca.gov

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A Multitude of Minimum Wages



Loren Kaye

California no longer has a minimum wage. Instead, the state has 50 minimum wages, differing depending on where you work or what you do.

California was an early adopter of the minimum wage, in 1916 requiring a 16-cent per hour wage for women and children. The California wage floor was extended to men in 1974; it had risen to \$2/hour by then.

Local Minimum Wages

For the past 25 years, California's minimum wage has been higher than the federal wage floor. Today, California's \$16 hourly base wage (annually adjusted for inflation) is more than double the federal hourly minimum wage.

But this is only the start. More than a quarter of the state's population lives in localities with even higher minimum wages: 33 cities in the San Francisco Bay Area, plus Los Angeles, the unincorporated parts of Los Angeles County, San Diego, Pasadena and Santa Monica.

These cities and communities have wage floors that range from three cents to \$3.67/hour higher than the state's minimum wage. Some cities even have wage tiers depending on the size of the business.

But the current municipal champion is the city of West Hollywood, where the \$19.08/hour minimum wage is 23% higher than the wage floor in neighboring Beverly Hills. Depending on your perspective, for now West Hollywood has either the glorious or ignominious distinction of having the highest minimum wage in the nation.

Merchants in the city have apparently had enough. Recent reporting found that the minimum wage in West Hollywood climbed by more than \$6/hour for small businesses and \$5 for larger ones in a span of just 2½ years. Full-time workers get 12 paid days off per year, with part-timers getting prorated time off, and everyone able to cash out unused time upon separation.

The result: desperate employers marching in protest and more than 175 shuttered businesses since 2021. "For God's sake, give us a break," said Genevieve Morrill, president of the West Hollywood Chamber of Commerce.

Some local governments under pressure from labor advocates have adopted wage floors for workers in large hotels. Los Angeles, Glendale and Santa Monica have a \$19.73/hour wage for covered hotel workers, Long Beach has \$17.55 and Anaheim has a wage ordinance aimed at the Disneyland resort area.

Guest Commentary

By Loren Kaye

Last summer, as strikes engulfed the hospitality industry in Southern California, the Los Angeles City Council considered a \$30/hour minimum wage for travel and tourism industry workers. A study conducted for the industry found such an increase would potentially cause job losses, increase homelessness as vulnerable workers are priced out of the labor market, and increase costs for working families and businesses when the full range of affected workers is considered.

But wait, there's more.

Targeted Industries

In 2023 the Legislature passed and the Governor approved two laws governing wages in targeted industries, a quantum step insinuating the state deeply inside a company's balance sheet. The new minimum wages will set an aggressive compensation floor for quick service restaurants and health care providers.

The law aimed at quick service restaurants took a circuitous route. First passed in 2022 to empower a "Fast Food Council" to set wages and impose other working conditions, with few guardrails, it was stymied as opponents qualified a referendum measure for the 2024 ballot.

More negotiations followed in 2023, with an agreement that enacts a statewide hourly minimum wage for workers in quick service restaurants of \$20/hour beginning in April 2024. A new fast food council would revisit the wage annually beginning in January 2025 through 2029,

and the statewide wage mandate would supersede any local minimum wages that apply to quick service restaurant workers.

On a separate track, the Legislature in 2023 also adopted first-ever bespoke minimum wages for health care facilities, ranging from \$18 to \$23/hour beginning in 2024, depending on the type of facility, topping out at \$25 to \$28 hourly later this decade, with inflation adjustments to follow.

These wage mandates will cover hospitals, skilled nursing facilities, dialysis centers, urgent care and surgical centers, community clinics, county facilities, and physicians' offices. The wage mandate covers not just health care workers, but anyone working any job in those facilities. The wage tiers are based on facility type, size and proportion of patients in rural areas, or participation in government programs.

Fiscal Impacts

The inevitable costs of the measures have begun to take shape: the Newsom administration has estimated the first-year fiscal impact of the health care minimum wages will be \$4 billion, a hefty sum at any time, much less when the state is facing a \$68 billion budget deficit.

In December 2023, Pizza Hut franchises filed notices with the state Employment Development Department that more than 1,100 delivery driver positions would be eliminated, starting in February 2024. News reports attributed the planned layoffs to the upcoming minimum wage hike. Most of the canceled positions were in Los Angeles, Orange and Inland Empire counties with the remaining posts scattered in the Central Valley.

It is notable that the quick service and health care wage floors were exhaustively negotiated with affected industries, in order to avoid more aggressive increases without any protections. Industries and impacted companies negotiated compromises on these two measures that included numerous guard rails like sunset dates, adjustment to exempt salary thresholds, prohibition on additional wage mandates for these industries from local governments, and costly ballot initiatives targeting these industries.

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Finance Director to Review 2024 California Budget in Jan. 17 Webinar

California Finance Director Joe Stephenson will be outlining Governor Gavin Newsom's 2024 budget priorities in a free online webinar presented by the California Chamber of Commerce.

The webinar will be held on Wednesday, January 17, 2024, from 11 a.m. to 12 p.m. The virtual event is free to attend, but advance registration is requested.

To register, [click here](#).



State Finance Director Joe Stephenson presents an overview of the 2023–2024 budget proposal at the CalChamber luncheon on January 12, 2023.

State on the Hook for Frivolous PAGA Lawsuits



Meritless Private Attorneys General Act (PAGA) lawsuits are now a fiscal liability for

the state of California.

Following a three-week bench trial in early 2023, Hobby Lobby secured a victory in a PAGA case regarding suitable seating.

It had been litigating the case since 2017 and incurred significant costs defending its position. After winning at trial, Hobby Lobby sought to recover its costs (excluding attorney's fees) from the California Labor and Workforce Development Agency (LWDA) as the prevailing party under Code of Civil Procedure section 1032.

What is unique about PAGA is that it is a "qui tam" statute. Although a PAGA

case can be filed by an individual worker, that worker is viewed as essentially standing in for the state. California's LWDA is considered to be the real party in interest in the case, not the plaintiff.

Because of this, certain rules do not apply to PAGA cases. For example, PAGA plaintiffs can file lawsuits alleging violations they never experienced, they can settle their individual claims while continuing to serve as a PAGA plaintiff, and PAGA claims cannot be compelled to arbitration regardless of whether the plaintiff signed an arbitration agreement. The lack of guardrails surrounding PAGA cases and the law's steep penalty structure incentivize filing cases regardless of whether the claims have merit.

Because the LWDA has been declared the real party in interest in a PAGA case, Hobby Lobby argued that the LWDA should be responsible for paying its costs despite not being a formal party to

the lawsuit. The Alameda County trial court agreed, ordering the LWDA to pay \$125,000.

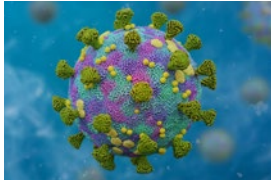
The employer community has been arguing for years that PAGA's enabling of frivolous lawsuits is a danger to California's economy because it deters business expansion in the state and stunts job growth. Now, courts are also holding the state directly liable for the costs incurred by defendants who win at trial. This will surely only incentivize more lawsuits because attorneys now know that California, not them, will be left holding the bill if they lose at trial.

California, its employees, and its employers deserve a better system.

That is why CalChamber has joined the [FixPAGA coalition](#) advocating for much-needed reform.

Staff Contact: Ashley Hoffman

State Agencies Update COVID-19 Isolation Guidance



On January 9, 2024, the California Department of Public Health (CDPH) updated its

[COVID-19 isolation guidance](#), redefining “infectious period” to move away from a standard five days of isolation for COVID-19 cases and instead focusing on clinical symptoms to determine when to end isolation.

The California Division of Occupational Health and Safety (Cal/OSHA) [COVID-19 Prevention Non-Emergency Regulations](#), still in effect until 2025, incorporate the CDPH’s definition of infectious period and its guidance for isolation, meaning the revised CDPH guidance applies to workplaces covered by Cal/OSHA’s COVID-19 regulation.

Isolation Periods

The CDPH guidance now recommends the following isolation periods:

- For cases with symptoms, with or without fever, isolate from the day of symptom onset until at least 24 hours have passed. Excluded employees may return when 24 hours have passed with no fever, without the use of fever-reducing medications, and symptoms are mild and improving; OR

- For cases with no symptoms, there is no infectious period and no recommended isolation. If symptoms develop, the criteria above will apply.

In addition to the above, when a local or state health official issues an order to isolate, quarantine or exclude an employee, the employee shall not return to work until the period of isolation or quarantine is completed or the order is lifted even if the order exceeds the specified exclusion requirements in

the COVID-19 prevention regulations or CDPH recommendation.

For COVID-19 cases that return to work, employers must continue to provide and ensure returning COVID-19 cases use face coverings until 10 days have passed from the date symptoms began or, for asymptomatic cases, from the date of their first positive test.

Employers can review the most recent guidance on Cal/OSHA’s [COVID-19 Prevention Non-Emergency Regulations FAQ page](#) and should update their COVID-19 policies to reflect the latest information.

CalChamber members can read more about [Injury and Illness Prevention Programs \(IIPPs\)](#), including COVID-19, in the HR Library on [HRCalifornia](#). Not a member? Learn how to power your business with a [CalChamber membership](#).

Staff Contact: James W. Ward

U.S. District Court Reaffirms Support for Arbitration Use in Employment

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Further, as stated in the legislative analysis of AB 51 and in the complaint itself, the Supreme Court has repeatedly held that state laws singling out arbitration agreements for disfavored treatment are preempted. This is the primary reason that a predecessor bill to AB 51, [AB 3080](#) (Lorena Gonzalez; D-San Diego), was vetoed by Governor Jerry Brown in 2018.

CalChamber and the employer coal-

ition filed their initial motion to invalidate and stop enforcement of AB 51 on December 6, 2019. On December 30, 2019, Judge Kimberly Mueller issued a preliminary injunction, halting enforcement of AB 51 until the matter could be resolved. The U.S. Court of Appeals for the 9th Circuit [upheld the temporary order](#) on February 15, 2023.

A study comparing employment arbitrations and litigation found that employ-

ee-claimants were greater than three times more likely to win in arbitration, more likely to receive high monetary awards in arbitration, and more likely to spend less time in arbitration than in litigation. Maintaining arbitration as a manner to resolve disputes is a benefit to employees and employers.

Staff Contact: Nicole Wasylkiw

When Family Leave Time Ends, Other Protected Leaves May Apply

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Unlike CFRA/FMLA, there is no specific amount of leave that is required under ADA/FEHA as an accommodation. Like all accommodations, the amount of leave must be determined on an individual, case-by-case basis.

Undue Hardship

An employer can deny a requested accommodation, such as a leave extension, if it can show that granting the request will result in an undue hardship to its business. The Equal Employment Opportunity Commission (EEOC) defines “undue hardship” under the ADA as an

action requiring significant difficulty or expense to the individual business.

When an employee requests additional leave after CFRA/FMLA leave has expired, it is critical that the employer review and document how the additional leave affects the business and whether continued leave poses an undue hardship.

Factors to consider in evaluating a request for extended leave include the impact on the quality and quantity of company productivity, lost sales, lowered customer service, and increased burden on management and co-workers. Employers should be cautious in relying solely on the increased costs associated with

hiring a temporary employee or incurring more overtime.

Even though an absent employee disrupts business operations, an employer should never assume that, because an employee has exhausted her protected leave under CFRA/FMLA, it can terminate the employee for failing to return to work.

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.

Job Killer Bills Die Early in New Legislative Year After CalChamber Efforts

From Page 1

right of action in California that empowered virtually anyone to act as a prosecutor to sue to block a project.

As amended this year, AB 1000 differed from the version rejected by Assembly Local Government last year by changing the alternative pathway provided to local governments from a 750-foot buffer to a 500-foot buffer if a project applicant can satisfy all mitigation measures outlined in the bill. The alternative was illusory because the mitigation measures required were either infeasible or so cost prohibitive that they could not be achieved.

These mitigation measures are in addition to those imposed by the California Environmental Quality Act (CEQA), as well as a plethora of rules and regulations required by the California Air Resources Board (CARB) and the South Coast Air Quality Management District (SCAQMD) that are leading the nation in air quality management and have reduced heavy-duty truck particulate matter emissions by 99% since 2005.

AB 259

AB 259 sought to tax all forms of personal property or “wealth,” whether tangible or intangible, in addition to California already having the highest income tax in the country.

The CalChamber has worked actively to oppose and kill proposals that raise taxes on Californians.

In its letter on AB 259, CalChamber pointed out that the tax increase would drive high-income earners and their substantial tax payments out of the state.

AB 259 implicitly acknowledged that rates for existing California income taxes have reached beyond their practical or political maximums, so proponents proposed to devise an entirely new tax never before considered for the state.

Not only was the proposed tax audacious in the amount of new revenue to be raised, estimated by some at \$21.6 billion a year; it targeted individuals who may have only a fleeting connection with the state—reaching across time and space to seize revenues from successful entrepreneurs and business owners.

AB 259 would have imposed an annual tax beginning on or after January 1, 2024, and before January 1, 2026 at a rate of 1.5% of a resident’s worldwide net worth in excess of \$1 billion or in excess of \$500 million in the case of a married taxpayer filing separately.

After January 1, 2026, a tax of 1% would be levied upon the worldwide net worth of every resident in this state in excess of \$25 million (for married taxpayers filing separately) or \$50 million for all other taxpayers. Worldwide net worth would not include any real property directly held by the taxpayer (but would include indirectly held real property).

There would have been an additional 0.5% surtax upon worldwide net worth in excess of \$500 million for married taxpayers filing separately and \$1 billion for all other taxpayers. Worldwide net worth would be calculated in the manner set forth for calculating the federal estate tax under the Internal Revenue Code and would be the value of all world-

wide property owned by the taxpayer on December 31 of each year.

The bill would have authorized the California Franchise Tax Board (FTB) to adopt regulations to prevent the avoidance or evasion of the wealth tax.

AB 1156

AB 1156 would have significantly increased workers’ compensation costs for public and private hospitals by presuming certain diseases and injuries are caused by the workplace and established an extremely concerning precedent for expanding presumptions into the private sector.

Injuries occurring within the course and scope of employment are automatically covered by workers’ compensation insurance, regardless of fault. AB 1156 would have required that hospital employees do not need to demonstrate work causation for specified injuries or illnesses in any circumstance. Instead, these injuries and illnesses would have been presumed under the law to be work related. There is simply no data to support a need for this bill and it would have created a tiered system of benefits that treats employees differently based on occupation and undermined the credibility and consistency of our workers’ compensation system.

The Legislature has consistently rejected all eight versions of this bill, including narrower versions, over the last 14 years.

Staff Contacts: Adam Regele, Preston Young, Ashley Hoffman

A Multitude of Minimum Wages

From Page 3

2024 Ballot Measure

The ambition to ratchet up the statewide minimum wage for workers seems to have no limiting principle: the establishment of a new floor simply means another floor must be built atop it. Just so, a [measure has qualified](#) for the 2024 ballot to re-bench the statewide minimum

wage from the current \$16/hour to a new floor of \$18/hour by 2025. (It is unclear if the higher wage floors for quick service and health care workers would be preempted by this measure.)

California is a costly state, and affordability obviously hits harder lower-income workers and families. But mandated wage increases at any level exacerbate affordability and limit oppor-

tunities for potential workers who don’t get jobs or hours in industries hamstrung by high wage mandates.

Loren Kaye is president of the California Foundation for Commerce and Education, a think tank affiliated with the California Chamber of Commerce.

Governor Proposes Belt-Tightening Budget Approach with No General Tax Hikes



Loren Kaye

It's a problem, but not a crisis.

The state budget proposed by Governor Gavin Newsom would maintain the trajectory of state spending

without major disruptions to state programs or new general tax increases. The Governor pegged the budget challenge (often called a "deficit") at \$37.8 billion projected spending in excess of projected revenues. The Governor proposes solving for this gap by reducing earlier spending increases, delaying promised increases, tapping rainy day reserves, and some targeted tax increases.

The announcement shined a more optimistic light on state finances than an earlier report by the Legislative Analyst, who had figured the budget deficit on the order of \$68 billion.

Stay the Course

The picture painted by the Governor is to stay the course with a tighter belt, as opposed to dousing a five-alarm fire by deploying massive cuts, crippling tax increases and budget gimmickry. The Governor contextualized this year's problem to be about 19% of general revenues, compared with budget crises in the recent past: the problem in 2009–10 amounted to 46.5% of revenues, and in 2003–04 was more than 52% of revenues.

Indeed, while General Fund revenues for the two prior fiscal years came in more than \$35 billion below estimates, the Administration projects that revenues and transfers for the 2024–25 budget will be \$18 billion higher than the current year, and that general tax collections will be \$50 billion higher in 2024 than the pre-pandemic year of 2019.

"Governor Newsom is doing what private sector businesses do when faced with an imbalance between revenues and costs—making tough decisions on spending cuts, pausing funding for future projects, and ensuring that critical priorities are maintained," said CalChamber President and CEO Jennifer Barrera. "In this

year's budget, the Governor has correctly focused on those things that will help California's economy succeed, including making continued investments in infrastructure, education, homelessness response, and combatting retail and property crimes without raising general taxes. In particular, we appreciate that the Governor has, again, underscored that a wealth tax in California is off the table."

Guest Commentary By Loren Kaye

Key Elements

The key elements for addressing the budget shortfall are:

- Reducing current or anticipated programs by \$8.5 billion, primarily in climate change programs, housing and state operations. The Administration will also delay implementation of new programs created by recent legislation, pending updated revenue estimates in May.
- Delaying and spreading over several years currently programmed spending, mostly for infrastructure or for recent initiatives that are ramping up. These include funds for transit and new preschool and transitional kindergarten expansion, among others, amounting to more than \$5 billion in solutions.
- Deploying \$13 billion in rainy day reserves.

The new budget proposes about \$400 million in tax increases, or about 1% of the budget solutions. The main proposal is to conform the treatment of net operating loss carryforwards to a recently enacted federal change, which creates a cap on carryforwards in any one year at 80% of that year's net income.

Other tax increases include conformity to federal treatment of charitable conservation easements, elimination of bad debt deductions by certain nonretailer lenders, and elimination of some tax incentives for oil and gas drilling.

After solving for the budget shortfall, the Governor proposes to finance his priorities, including his multi-year plan to address homelessness, new spending to address organized retail theft and opioid and fentanyl abuse, mental health reform, and education.

A CalChamber poll released last fall

found that voters were intensely concerned about public safety issues, especially identifying the fentanyl epidemic, organized shoplifting, and homelessness driving criminal behavior as high priorities for public officials to address.

Education

Even with a tight budget and declining pupil enrollment, the Proposition 98 education funding guarantee will provide a safety net for public schools. From all funding sources, public schools will receive about \$23,500 per pupil.

Despite the state's current fiscal situation, the higher education segments will also see modest funding increases. The 5% boost this year for the four-year institutions, promised by the Higher Education Compact, would be deferred for a year, although the segments would be able to borrow money to meet programmed obligations.

The Administration also signaled its intent to maintain a focus on career education. Following up an executive order from last summer, the Governor's Office will convene high-level working groups (including CalChamber members) to investigate how existing policies, investments and structures can be improved to ensure Californians can access well-paying, purposeful careers, build skills and access lifelong quality education.

Minimum Wage Hike 'Trigger'

Legislation last year created a new minimum wage for health care facilities, ranging from \$18 to \$23/hour, depending on the type of facility, that will go into effect in June. Having earlier identified a cost to the state treasury of \$4 billion from this wage increase, the Governor's budget proposes the Legislature urgently adopt an annual "trigger" to make the minimum wage increases subject to General Fund revenue availability, among other changes.

The budget proposal is now in the hands of the Legislature, which will begin hearings on the numerous items. The proposal will be modified in May based on updated economic and tax data, and the Legislature must adopt it by June 15.

Loren Kaye is president of the California Foundation for Commerce and Education, a think tank affiliated with the California Chamber of Commerce.

90th Anniversary of Export-Import Bank Brings Survey for Future



The Export-Import Bank of the United States (EXIM) Bank is the official export credit

agency of the United States. Its mission is to support American job creation, prosperity, and security through exporting by unlocking financing solutions for U.S. companies competing around the globe. EXIM Bank helps level the playing field and fill gaps in private sector financing.

EXIM Bank offers various programs to aid small and medium-sized exporters with two specific objectives:

- To enhance an exporter's success by incorporating insurance products that allow sellers to extend competitive credit terms to foreign buyers while mitigating risk and potential losses due to nonpayment of invoices (through export credit insurance); and
- To facilitate an exporter's access to adequate and affordable capital from commercial lenders through loan guarantees and collateral eligibility of insured foreign account receivables.

For fiscal year 2023, EXIM Bank's \$8.7 billion in transactions supported

upwards of 40,000 American jobs across the country — a win for U.S. businesses and the American people.

See the [EXIM Fiscal Year 2023 Year in Review](#) for highlights of some of EXIM Bank's accomplishments in the 2023 fiscal year.

90th Anniversary

This February, EXIM Bank will celebrate its 90th anniversary. President Franklin Delano Roosevelt created EXIM as a tool to create jobs and support American manufacturing to bring the country out of one of the most tumultuous economic periods in U.S. history.

Today, EXIM continues to help U.S. businesses compete and succeed through promoting American entrepreneurship, innovation, and manufacturing.

Survey

The Board of Directors of the National Association of District Export Councils (NADEC) is conducting a survey in cooperation with the EXIM Bank.

The purpose of this survey is three-fold: to better understand how well the above objectives are being met; to identify what additional assistance small and medium-sized exporters (SME) need

from the EXIM Bank; and to gauge SME support for EXIM, including the bank's next round of reauthorization by Congress.

Responses will provide important information to aid in the preparation of a summary report of respondent perspectives, needs and opinions. Responses will be confidential, meaning that the findings will be presented as summaries so individual responses cannot be identified.

To take the survey, [visit this link](#). This survey will remain open through Friday, March 1, 2024.

With more than 100 foreign Export Credit Agencies (ECAs) providing broad financial support for their exporters, it is vital for U.S. industry to be supported by a strong, resourceful ECA (EXIM Bank). It is imperative that U. S. exporters are supported by an effective and well-resourced finance partner to ensure competitiveness. EXIM is a vital element for U.S. exporter success.

It is anticipated that the survey will provide helpful, current perspectives on EXIM and yield guidance for leadership regarding future needs and industry support for its continued growth and success.

Staff Contact: Susanne T. Stirling



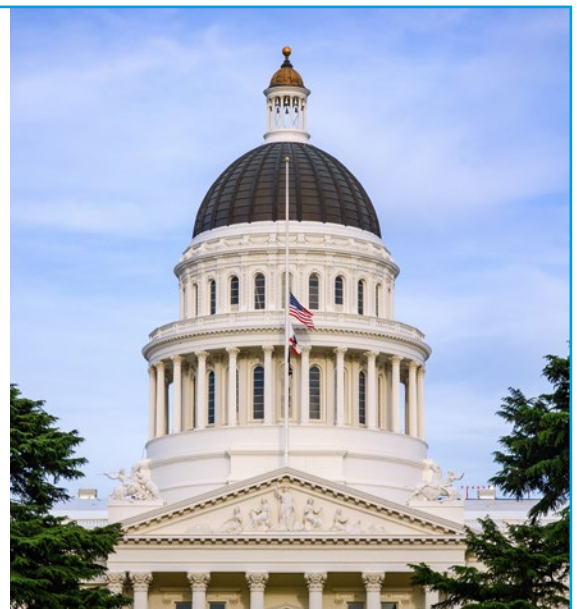
JANUARY 25, 2024 | 10 - 11:30 AM PT | WEBINAR

2024 Employment Law Updates

From expanded mandatory paid sick leave to new cannabis testing requirements, Governor Newsom signed many employment-related laws that will affect California businesses in 2024.

Don't miss CalChamber's annual 1.5-hour Employment Law Updates webinar. Get specifics and best practices from our California Employment Law Experts.

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