

ALERT

Local Chambers Rally for PAGA Reform



In a remarkable display of unified action, local chambers of commerce across California are taking a stand, meeting with state legislators to advocate for reforming the Private Attorneys General Act (PAGA).

Enacted in 2004, PAGA was designed to empower workers to address labor disputes effectively. However, after nearly two decades, the cracks in its framework have become glaringly evident.

Because PAGA affects virtually every industry, chambers of commerce, representing the backbone of local business communities, are uniquely positioned to witness the real-world impacts of PAGA. Their advocacy for change is not just about protecting businesses but also about fostering a fairer and more effective system for workers.

Over the past month, the following local business groups have met with their legislators to make the case for fixing PAGA:

- Anaheim Chamber;
- Chino Valley Chamber;
- Corona Chamber;
- Fresno Chamber;
- Greater Conejo Valley Chamber;
- Greater San Fernando Valley Chamber;
- Hollywood Chamber;
- Monterey Peninsula Chamber;
- Morgan Hill Chamber;
- Orange County Business Council;
- Greater Riverside Chambers;

- Sacramento Metro Chamber;
- Santa Monica Chamber;
- Simi Valley Chamber;
- Valley Industry and Commerce Association.

The Problem with PAGA

Originally, PAGA aimed to streamline labor dispute resolutions. However, it has proved inefficient for workers and unfairly burdensome for thousands of small businesses. In many cases, the money recovered from lawsuits doesn't go directly into workers' pockets, diluting the intended benefit.

Furthermore, PAGA lawsuits can be costly and time-consuming, often leading to prolonged disputes that serve neither the interests of workers nor businesses. Small businesses, in particular, find themselves disproportionately affected, facing significant legal challenges and financial strains.

Impact on Local Communities

The active involvement of local chambers on this issue underscores the widespread impact of PAGA on communities. Small businesses are often at the heart of local economies, and the current system places an undue burden on them.

By advocating for these reforms, chambers are not just fighting for the businesses they represent but also for the health of their local economies and the well-being of workers who are integral to these communities.

Get Involved

If your organization is interested in getting more involved, [join the Fix PAGA coalition](#) today.

Staff Contact: Nick Ortiz

CalChamber, Allied Groups Sue California Over Climate Disclosure Laws



The California Chamber of Commerce and a coalition of business groups are challenging California's new climate reporting laws, **SB 253 (Wiener; D-San Francisco)** and

SB 261 (Stern; D-Canoga Park), in a lawsuit in the U.S. District Court for the Central District of California.

The lawsuit, filed on January 30, asserts that both SB 253 and SB 261 unconstitutionally compel speech in violation of the First Amendment and conflict with existing federal law and the Constitution's delegation to Congress of the power to regulate interstate commerce.

CalChamber Statement

In a [statement](#), CalChamber President and CEO Jennifer Barrera explained that the laws violate the First Amendment "because they compel companies to make public statements that are likely inaccurate or with which they disagree, due to the incredible challenge of accurately reporting or obtaining reliable information regarding the emissions of their entire supply chain."

She pointed out that the laws are also problematic because they will inflict

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*Labor Law Corner***Alcohol/Drug Rehab Leave: State/Federal Laws Provide Protections**

Lisa Guzman
Employment Law
Expert

One of our employees informed us that he is planning to enter a six-week alcohol or drug rehabilitation program. Are we required to provide him leave time?

An employee who seeks time off to enter an alcohol or drug rehabilitation program may be eligible for leave protections under several state and federal laws.

California Labor Code

Under Labor Code Section 1025, California employers who regularly

employ 25 or more employees are required to reasonably accommodate any employee who wishes to voluntarily enter and participate in an alcohol or drug rehabilitation program, provided that the accommodation does not impose an undue hardship on the employer.

Leave under the Labor Code applies to all employees, even new hires, and does not require that an employee satisfy any work eligibility requirements.

In this situation, a covered employer can deny the employee's request for leave to participate in a six-week rehabilitation program only if it can show that the accommodation would impose an undue hardship on its business.

Undue hardship is a highly litigated subject and can be difficult for employers to prove. Therefore, employers should consult with legal counsel prior to making an undue hardship determination.

An employee can file a complaint with the state Labor Commissioner if he/she believes they have been denied reasonable accommodation. (Labor Code Section 1028)

An employer does not have to provide paid time off to an employee taking rehabilitation leave, but the Labor Code provides that an employee may use sick leave pay for the purpose of entering and

participating in an alcohol or drug rehabilitation program. (Labor Code Section 1027)

In addition, employees seeking treatment may be eligible for State Disability Insurance benefits.

An employer must make reasonable efforts to safeguard the privacy of the employee and must not disclose that he/she has enrolled in an alcohol or drug rehabilitation program. (Labor Code Section 1026)

Importantly, this provision of the Labor Code does not prohibit an employer from refusing to hire, or discharging an employee who, because of current alcohol or drug use, is unable to perform their duties or cannot perform the duties in a manner that does not endanger their own health or safety or the health or safety of others. (Labor Code Section 1025)

Other Protected Leaves

In addition to the Labor Code, alcohol or drug rehabilitation leave also may be covered by the federal Family and Medical Leave Act (FMLA) for businesses with 50 or more employees or the California Family Rights Act (CFRA) for businesses with five or more employees. These laws provide up to 12 weeks of

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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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CalChamber-Sponsored Seminars/Trade Shows

More information at www.calchamber.com/events.

Labor and Employment

Responding to Workplace Requests Related to Pregnancy and Childbirth. CalChamber. February 15, Online. (800) 331-8877.

Leaves of Absence. CalChamber. February 22–23, April 11–12, Online. (800) 331-8877.

Practical Application of 2024 California Employment Laws to Your Workplace. CalChamber. February 29, Online. (800) 331-8877.

HR Boot Camp. CalChamber. March 7–8, March 28–29, Online. (800) 331-8877.

International Trade

Japan-California Hydrogen Webinar. Japanese Chamber of Commerce of Northern California. February 7, Online. mail@jccnc.org.

The Netherlands: Your Gateway to the European Market. Netherlands Consulate-General. February 8, San Francisco. k.rancuret@ndl.nl.

California Pavilion at the Singapore Airshow. Governor's Office of Business and Economic Development (GO-Biz). February 20–25, Singapore. (916) 447-7946.

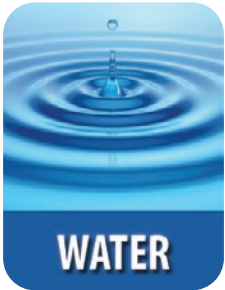
Managing Risk and Cost in the Global Supply Chain: Focus on Foreign Trade Zones. National Institute for World Trade. February 28, San Bernardino; February 29, Long Beach. (888) 484-6484.

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

The Madrid Energy Conference 2024. Institute of the Americas and IPD

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CalChamber, Coalition Support Healthy Rivers & Landscapes Update to Water Plan



The California Chamber of Commerce and a coalition of statewide organizations has asked the State Water Resources Control Board to support a novel approach to balancing the

diverse water needs in the San Francisco Bay/Sacramento-San Joaquin Delta (Bay-Delta) system.

This alternative approach ensures habitat can be restored and maintained, while increasing stability and predictability in water supply for urban and agricultural uses.

Coalition Request

The coalition asked the State Water Board to incorporate the Healthy Rivers and Landscapes alternative into its update of the Bay-Delta Water Quality Control Plan (Bay-Delta Plan).

The coalition includes statewide groups representing growers, manufacturers, food producers, construction/industrial materials companies and municipal utilities.

The State Water Board has been in the process of updating the Bay-Delta Plan for the better part of two decades. Because some water quality conditions like salinity are regulated primarily

through flushing flows through the Delta, the Bay-Delta Plan has a unique impact on water supply.

And because a majority of the state gets at least some of its water from the Delta and its tributaries, the policy set here has impacts on the entire state.

Healthy Rivers and Landscapes

The Healthy Rivers and Landscapes alternative is the current iteration of the effort started in 2018 that was dubbed the “voluntary agreements.”

The Newsom administration convened key water districts, state agencies, and other interested parties to work out an alternative method to meet Bay-Delta Plan goals that did not rely wholly on the State Water Board staff-generated concept of extreme unimpaired flow requirements.

The Healthy Rivers and Landscapes alternative does dedicate additional flows to the environment, and it does so in a way that protects critical water supplies for communities and the economy. This alternative also implements projects to restore functional ecosystems and floodplains across the system. The Healthy Rivers and Landscapes alternative funds these projects and creates governance and science programs to adapt to new information and changing climate conditions.

In the past, flow-only efforts to manage the Bay-Delta have not worked as planned. The Sacramento/Delta

portion of the plan was updated last in 1995. In the intervening decades, both species and water supply reliability have declined in the Bay-Delta and, by extension, throughout the state.

The Healthy Rivers and Landscapes alternative changes course and offers a different approach. This approach is innovative and aims to improve environmental conditions more quickly and holistically than traditional top-down regulatory requirements. In addition, it will provide more certainty to communities, farms, and businesses that depend on a reliable water supply.

The CalChamber-led coalition comment letter submitted to the State Water Board urging their inclusion of the Healthy Rivers and Landscapes alternative can be found [here](#).

What's Next

State Water Board staff is now in the process of reviewing and responding to all comments submitted on the draft Bay-Delta Plan update. Staff will make further changes based on comments received and will develop a proposed final Bay-Delta Plan update that the State Water Board will consider adopting in late 2024.

Additional public process, including the opportunity to provide comment on the final version of the update, will precede the State Water Board's adoption hearing.

Staff Contact: Brenda Bass

Alcohol/Drug Rehab Leave: State/Federal Laws Provide Protections

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unpaid leave in a 12-month period.

The FMLA/CFRA will apply if the employee meets the work eligibility rules and provides medical certification indicating that the employee has a serious health condition.

Absent undue hardship, an employer also may have to consider granting time off for alcohol or drug rehabilitation as a reasonable accommodation under the Americans with Disabilities Act (businesses with 15 or more employees) and/

or the California Fair Employment and Housing Act (businesses with five or more employees).

Best Practices

As there may be several laws that apply, an employer should consult with legal counsel before denying an employee's request for time off to participate in an alcohol or drug rehabilitation program.

Even if an employer is not required to provide rehabilitation leave under state or federal law, it is good employer policy

to encourage employees who suffer from substance abuse to seek treatment under an Employee Assistance Program and/or rehabilitation program.

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.

US Bill Aims to Help Local Businesses Hurt by Transportation Projects



Pending federal legislation aims to help local businesses and nonprofit groups when their operations are disrupted by federally funded transit or highway transportation projects.

The **Business Uninterrupted Monetary Program (BUMP)** Act was introduced by California Congressman Lou Correa (D-Santa Ana) to provide funding to businesses and nonprofits affected by major transit and highway projects in their communities.

If enacted, the BUMP Act will require local sponsors of the projects to create a funding pool that will provide mone-

tary relief to businesses hurt financially when the transit or highway construction impedes customers' access to the business.

The funding would be allowed to cover utilities, insurance, rent or mortgage, payroll, and loss of income for affected businesses.

Correa introduced the legislation after a major transit project blocked access to businesses in downtown Santa Ana.

BUMP Act

The BUMP Act applies to local sponsors receiving funds for transit (Fixed Guideway Capital Investment Grants) and highway transportation projects (Federal-Aid Highway Program). The requirements apply to transit projects with a total cost of \$100 million or more

and highway projects of \$50 million or more.

Local sponsors will manage the program and determine which entities qualify for funding. The local sponsors need to create only one BUMP fund for all their qualifying projects. The sponsors can seek a waiver from the U.S. Secretary of Transportation if they already have an equivalent program or can show there will be no interruption or no measurable negative financial impact on the local entities.

Correa reports the proposal is supported by the Anaheim Transportation Network and quotes supporters who highlight the importance of the monetary support to small businesses.

New Consul General of Mexico Meets with CalChamber President



Christian Tonatiah González Jiménez, recently named the Consul General of Mexico in Sacramento, stops by the CalChamber offices on January 31 for a get-acquainted meeting with CalChamber President and CEO Jennifer Barrera. The Consul General most recently served as chief of protocol and public diplomacy at the Permanent Mission of Mexico in the United Nations. During Mexico's participation as an elected member of the U.N. Security Council (2021–2022), he served as the spokesperson and was in charge of disseminating Mexico's activities, results and positions in the U.N. Security Council. Mexico continues to be California's No. 1 export market, purchasing 16.5% of all California exports.

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Coalition Urges Lawmakers to Focus Retail Theft Policy on Prevention, Enforcement, Supervision



The California Chamber of Commerce and a coalition of business, local government

and public safety organizations sent a joint letter to the Governor and state leaders this week regarding the need for a comprehensive approach to addressing the rise in theft across California.

The letter is an initial effort by the coalition to center the policy discussions regarding retail theft around three core pillars: prevention, enforcement and supervision. Without these pillars working in tandem, the coalition warned that the significant problems California is facing will remain unaddressed.

Three Pillars

Prevention

Addressing crime begins with prevention. This requires understanding that not all motives are the same, the coalition said.

“Identifying the cause and treating the symptom accordingly will produce the best outcome. In certain cases that may mean incentivized treatment and rehabilitation, in other cases it may require increased levels of consequence,” the letter states. “However, we recognize that treatment alone has proven to be an inadequate solution without sufficient enforcement.”

Enforcement

One of the primary functions of California’s criminal justice system is to correct harmful and criminal behavior through rehabilitation, education, incarceration, or a combination of each.

The coalition stresses that mass incar-

ceration is not the solution. However, the lack of meaningful consequences limits the effectiveness of preventative programs, as there is little reason to comply with required treatment.

“A key to addressing the problems our communities and businesses are experiencing is raising the level of consequences for those who repeatedly, and most severely, are causing significant harm,” the coalition said.

Supervision

The letter points out that many people who encounter the criminal justice system find themselves revolving in and out of that system.

Incentives should be created to help people commit to treatment, including connecting people on supervision to services, while also instilling accountability through higher levels of supervision.

Staff Contact: Brenda Bass

CalChamber, Allied Groups Sue California Over Climate Disclosure Laws

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significant costs on companies doing business in California and will not notably reduce emissions.

“We support cost-effective policies that reduce greenhouse-gas emissions as quickly as possible in order to address climate change,” Barrera said. “However, these new climate reporting laws are far from cost-effective and they will not have any notable impact on climate change. Compelling businesses to report inconsistent and inaccurate information unnecessarily places them at risk for enormous penalties. This will be particularly costly for small businesses who do not have the resources to accurately measure their climate emissions.”

In addition to the CalChamber, plaintiffs include the U.S. Chamber of

Commerce, American Farm Bureau Federation, Los Angeles County Business Federation, Central Valley Business Federation and Western Growers Association.

Reporting Requirements

SB 253 and SB 261, signed into law last year, require businesses to report on emissions across their supply chain, including indirect emissions, no matter where they occur despite the fact that such emissions can be nearly impossible for a company to accurately calculate.

The laws also require companies to subjectively report their worldwide climate-related financial risks and proposed mitigation strategies. The laws apply to companies across the U.S. and worldwide on the basis of even minimal operations in California.

The lawsuit also alleges that California is in violation of the federal Clean Air Act, which preempts a state’s ability to regulate emissions in other states — as California seeks to do by mandating reporting on out-of-state emissions.

In a [press release](#), Tom Quaadman, U.S. Chamber of Commerce Center for Capital Markets Competitiveness executive director, warned that SB 253 and SB 261 usurp the role of federal regulators and open the door for other states to take an opposite approach to disclosure, leaving businesses in the middle of a political scrap between states.

“The resulting fragmentation will undermine the competitiveness of American capital markets, ushering in an era of duplicative and conflicting state-imposed requirements,” he said.

CalChamber-Sponsored Seminars/Trade Shows

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Latin America. April 9–11, Madrid, Spain. (858) 453-5560.

California Pavilion at Hannover Messe.

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

World Trade Week Southern Califor-

nia. Los Angeles Area Chamber of Commerce. May 1, Long Beach. cluna@lachamber.com.

WCF Americas Summit. International Chamber of Commerce (ICC) World Chambers Federation. May 8–10, Bogotá, Colombia.

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.

Cybersecurity Training Available Now from CalChamber



The rise in digital crime is astounding: At the current growth rate, cyberattacks will cost businesses

about \$10.5 trillion annually by 2025 — an increase of 300% from 2015, according to a [McKinsey & Company report](#). But one of the best ways for employers to [guard themselves against cybersecurity threats](#) is to train employees on how to keep systems secure.

To help employers, the California Chamber of Commerce is offering “[The Road to Cybersecurity](#)” — an interactive, computer-based training designed to enhance understanding and awareness of cybersecurity practices.

Cybersecurity attacks can have [significant and long-term consequences](#) for all businesses. Not only do such attacks cost businesses in both time and money, they also could potentially result in a credit-rating downgrade, leading to higher borrowing costs.

It’s not just large corporations at risk — small and midsize businesses also are attractive targets, as they have information cybercriminals want without the same level of security infrastructure as larger businesses.

“Employees and their work-related communications are a leading cause of data breaches for small businesses because they are direct pathways into your systems,” the Small Business Administration states on its [website](#). “Training employees on basic internet usage best practices can go a long way in preventing cyberattacks.”

That’s exactly what “[The Road to Cybersecurity](#)” aims to do — this course will educate your employees on steps they can take to reduce the risk of cyber-attacks through exploratory exercises, evaluations and real-world scenarios.

The course covers topics like password hygiene, physical security (tailgating, shoulder-surfing), social engineering (phishing, smishing, vishing), safe web browsing, mobile security (VPN, social media) and incident reporting.

Upon completion of the online course, participants will have a foundational understanding of identifying, preventing and reporting cybersecurity issues.

[CalChamber’s cybersecurity training](#) is designed for individuals and employees at all levels who want to enhance their cybersecurity awareness and skills. It also teaches how to recognize and report cybersecurity incidents.

The course is approximately 45 minutes to 1 hour in length but has no time limits, and companies will have the option to upload any accompanying documents related to their own cybersecurity protocols. Users will have the ability to print a certificate of completion at the end of the course.

By completing this course, participants will be better equipped to protect themselves and their organizations from [cyber threats and breaches](#).

To purchase “[The Road to Cybersecurity](#),” visit the CalChamber Store. CalChamber members at the Preferred level and above receive a 20% discount. Quantity discounts are available.

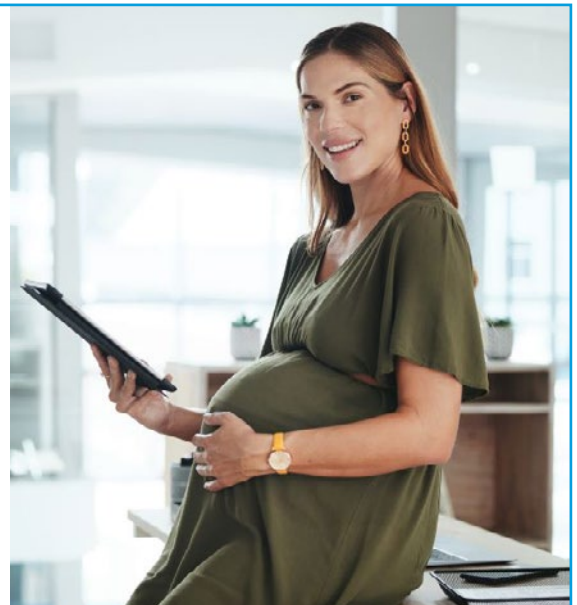


FEBRUARY 15, 2024 | 10 AM - NOON PT | WEBINAR

Workplace Requests Related to Pregnancy and Childbirth

This two-hour live webinar will guide California employers through compliance rules for pregnancy and child bonding leaves, assisting them in seamlessly administering these leaves and providing tools to respond to any related requests in the workplace.

Preferred Members and higher receive their 20% member discount.



Approved for 2 HRCI, MCLE, and PDC credits.

LEARN MORE at calchamber.com/febweb