CalChamber

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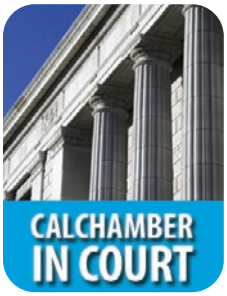
# ALERT

## California Supreme Court Upholds Proposition 22




After a lengthy legal challenge that began back in 2021, the California Supreme Court recently ruled that Proposition 22 is constitutional — a significant decision ensuring that thousands of workers continue to have access to flexible options for earning income.

The ruling will also help reduce costly litigation on determining independent contractor status under California law.

Back in 2020, California voters approved Proposition 22, which specifically classified certain app-based rideshare and delivery drivers as independent contractors and mandated that those companies provide certain benefits, including guaranteeing at least 120 percent minimum wage during engaged time, payment per mile, health care coverage for those who work a certain number of hours and the development of anti-harassment policies.

Previously, classifying app-based drivers was uncertain and subject to costly litigation under California's ABC test for distinguishing between an employee and an independent contractor.

### Challenges in Court

Soon after the measure passed, it was challenged and, in 2021, the Alameda Superior Court struck it down because it determined that the law, among other things, intruded on the California Legislature's exclusive authority to create work-

*See California Supreme Court: Page 3*

## Governor Signs CalChamber-Sponsored Small Employer Family Leave Mediation Bill

SUPPORT

Legislation **sponsored** by the California Chamber of Commerce to make permanent the small employer family leave mediation program has been signed by Governor Gavin Newsom.

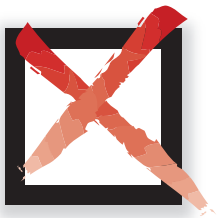
**AB 2011 (Bauer-Kahan; D-Orinda)**, also supported by a coalition of employer groups and local chambers of commerce, won unanimous support from the Senate and Assembly before the Legislature adjourned for its summer recess.

AB 2011 will make permanent the Civil Rights Department small employer family leave mediation program and add reproductive loss leave to the program, benefitting both workers and small employers.

In 2020, SB 1383 (Jackson; D-Santa Barbara) expanded the family leave requirements under the California Family Rights Act (CFRA). Beginning January 1, 2021, CFRA went from applying to employers with 50 or more employees to small employers with just five or more employees. SB 1383 also expanded the family members for which an employee could take leave under CFRA to provide care.

*See Governor Signs: Page 8*

## CalChamber Opposes Ballot Measure Raising Minimum Wage to $18 an Hour



OPPOSE

The California Chamber of Commerce Board of Directors has taken an **oppose** position on **Proposition 32**, a November ballot measure that would increase California's minimum wage to $18 an hour for thousands of the state's employers.

"If Proposition 32 is passed, Californians will see higher costs, fewer jobs and a reduction of available work hours for employees in the state," said CalChamber President and CEO Jennifer Barrera. "Voters need to reject this proposal because it will contribute to inflation, add to the high cost of living in California, and hurt state revenues. It will put even more pressure on our state budget."

CalChamber and other opponents argue that passage of Proposition 32 will leave fewer resources available to fund important programs, including those that enhance public safety and education, and work to combat California's homelessness crisis.

Further, smaller employers, who often are least able to absorb increased costs, will experience a disproportionate impact if the measure passes. "Smaller companies that are crucial to the success of local

*See CalChamber Opposes: Page 8*

**Inside**

*Labor Law Corner*

# Hot Weather No Excuse to Abandon Dress Code Requirements

**Dana Leisinger**
**Employment Law Expert**

*During a recent heat wave, several employees showed up for work with visible tattoos, strappy tops, and flip-flop shoes. This is all in violation of our dress code. Can we enforce it even when the weather is hot?*

Hot weather poses challenges to traditional dress codes, but heat does not erase an employer's requirements. Employers still can ban strappy tops, flip-flops, shorts, tank tops, and other unacceptable clothing regardless of gender/gender identification.

## 'Professional Appearance'

A policy that "Employees must maintain a professional appearance" is acceptable. The company doesn't have to describe in detail every unacceptable type of clothing and shoes.

August is one of the hottest months of the year, so employers need to be ready to enforce their policies. Employees who work outside might, arguably, have more freedom to wear shorts, sleeveless tops, etc., but safety concerns must prevail, so any clothing must meet safety needs.

## Tattoos

Tattoos can be more problematic. There has been a dramatic increase in tattoos in recent years, with 32% of Americans having a tattoo in 2023, versus only 21% in 2012. Many companies have become more relaxed about tattoos, but many other companies still prefer that the tattoos be covered up.

Be aware that enforcing a "no visible tattoos" policy could lead to a discrimination claim if the employee says there is a religious reason for their tattoo.

Bottom line — clear communication and using give and take on both sides can help with dress code issues. Some employers even develop a separate "summer dress code" policy that relaxes requirements during the hot season.

Should an employer decide on a different dress code for hot times, all employees should be made aware of the relaxed standards and when the policy will return to usual requirements.

*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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# CalChamber-Sponsored Seminars/Trade Shows

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

***Labor and Employment***

Leaves of Absence. CalChamber. August 8–9, Online. (800) 331-8877.

HR Boot Camp. CalChamber. August 22–23, September 12–13, Online. (800) 331-8877.

***International Trade***

15th Annual California Mexico Advocacy Day. CalChamber and Consulate General of Mexico in Sacramento. August 7, Sacramento. *intlevents@calchamber.com*.

2024 Green Expo: California Pavilion. Governor's Office of Business and Economic Development (GO-Biz). September 3–5, Mexico City. *Diana.Dominguez@gobiz.ca.gov*.

2024 California Pavilion @ Industrial Tranformation Mexico. GO-Biz. Register interest by August 9. October 8–11, Leon, Guanajuato, Mexico. *Diana.Dominguez@gobiz.ca.gov*.

Japan International Aerospace Exhibition: California Pavilion. GO-Biz. October 16–18, Tokyo, Japan. *emily.desai@gobiz.ca.gov*.

Africa Health. GO-Biz awarding export vouchers. October 22–24, Cape Town, South Africa. Register interest. *patricia.utterback@gobiz.ca.gov*.

Cosmoprof Hong Kong. GO-Biz. Registration of interest required. November 12–14, Hong Kong, China.

Rebuild Ukraine 2024: Business in Ukraine and Poland. GO-Biz. November 12–15, Warsaw, Poland. *patricia.utterback@gobiz.ca.gov*

# Indoor Heat Illness Prevention Rule in Effect Now


The state Office of Administrative Law (OAL) has approved the Cal/OSHA regulations to protect employees working indoors from heat illness. The regulations went into effect immediately upon OAL approving them on July 23.

## Requirements

The regulations apply to virtually all indoor work areas when the temperature equals or exceeds 82 degrees Fahrenheit indoors. Notably, state prisons have been exempted from the indoor heat illness prevention rules due to concerns about the cost implications for the state.

The indoor heat rule includes an exemption for storage sheds and other outdoor areas used to store things — but if the storage space reaches 95 degrees or higher and an employee even briefly steps into that space, the indoor heat illness requirements are triggered.

Much like the outdoor heat illness prevention rules, the indoor heat standard requires employers to, among other requirements, provide cool drinking water, create an area where an employee can cool down, and give employees cooldown breaks.

In addition, the rules require that someone monitor employees while they are taking a cooldown break.

Employers need to provide training on the indoor heat rules, keep temperature records and frequently record an indoor space's heat index, which measures factors other than temperature, such as humidity.

Another new variable is the impact of "restrictive clothing" on the temperature threshold at which the indoor heat standard is triggered. The regulation's trigger temperature is lower when the employee is required to wear heavier safety equipment to account for the weight of the required clothing and how it retains heat.

## Background

The Cal/OSHA Standards Board adopted on June 20 the long-awaited regulations to protect employees working indoors from heat illness. The board asked that the regulations take effect immediately after OAL's approval.

The California Legislature had directed the California Division of Occupational Safety and Health (Cal/OSHA) to develop indoor heat illness standards in 2016. Cal/OSHA's progress on developing the standards was paused during the COVID-19 pandemic as Cal/OSHA focused elsewhere.

Recognizing space limitations for small businesses that rent rather than own the buildings where they operate, the CalChamber worked hard to make sure the new standard includes an option to create a cooldown space outside.

## More Information

More information on the new rule is available on Cal/OSHA's Indoor Heat Illness Prevention webpage.

A chart comparing indoor and outdoor heat illness standards also is available from Cal/OSHA, along with frequently asked questions related to indoor heat illness prevention.

## CalChamber Resources

For further insights on the substance of the rules, listen to The Workplace podcast aired in May. Also, visit the CalChamber Store to buy the recording of the June 27 webinar on the new workplace heat illness standards.

# California Supreme Court Upholds Proposition 22

*From Page 1*

ers' compensation laws. In 2023, however, a California Court of Appeals reversed that decision, concluding that Proposition 22 doesn't intrude on the Legislature's workers' compensation authority, though it agreed with the Superior Court on some other issues not relevant to this decision.

The California Supreme Court agreed with the Court of Appeals and upheld Proposition 22.

Added in 1918, Article XIV, section 4 of the California Constitution essentially gives the California Legislature the power to regulate the state's workers' compensation system, including the ability to determine what workers must be covered or not under the state's system. The Plaintiff argued that, at the core of this case, Proposition 22 conflicts with this constitutional provision by removing app-based drivers from the workers' compensation system and limiting the Legislature's authority to extend benefits to app-based drivers in the future.

After a lengthy analysis of the relevant provisions and case law — thankfully not recounted here — the court concluded, consistent with its prior precedent, that the purpose of Article XIV, section 4 was to remove doubts on the constitutionality of the then-existing workers' compensation laws — *not* to limit the initiative power.

In other words, it doesn't limit the ability of California voters to enact laws through the initiative process that touch on workers' compensation. As such, Proposition 22 is constitutional.

## CalChamber Amicus

CalChamber, which filed an amicus brief in the case in support of Proposition 22, welcomed the court's ruling. Upholding Proposition 22 supports the will of California voters, protects California jobs and is a big win for our economy. Workers want the flexibility of app-based jobs and consumers benefit from the services they provide.

**Staff Contact: James W. Ward**

*The Workplace*

# Age-Related Litigation, Challenges in Today's Workplace


In Episode 201 of The Workplace podcast, CalChamber Associate General Counsel Matthew Roberts and Employment Law Subject Matter Expert Vanessa Greene discuss age-related litigation and harassment in the workplace.

The U.S. Bureau of Labor Statistics projects there will be an increase in workers ages 55 and older, including a rise in those older than 65 as a percentage of the overall workforce, Roberts says. Age-related litigation in the workplace is also spiking, especially allegations of age-related harassment, and discrimination.

## Age Discrimination Laws

Both federal and California laws address age discrimination in the workplace, Greene says. At the federal level, there is the Age Discrimination in Employment Act (ADEA), and under state law, there is the Fair Employment and Housing Act (FEHA).

These laws prohibit workplace harassment and discrimination on the basis of age, applicable to those who are 40 years of age or older. Those under the age of 40, she points out, don't have a legal basis to bring an age discrimination claim.

## *Hoglund v. Sierra Nevada Memorial-Miners Hospital*

This year, the California Third Appellate District Court upheld an award of $2.5 million in damages in an age discrimination and harassment case, *Hoglund v. Sierra Nevada Memorial-Miners Hospital*.

In this case, Jessica Hoglund, an employee at the hospital, had worked her way up to becoming the sole laboratory supervisor. Shortly after she was promoted to this position, Rhonda Horne was hired as the director of clinical operations at the hospital, and she became Hoglund's new direct supervisor.

Horne, age 50, constantly made derogatory comments about Hoglund, age 56, calling her things like "sloppy" and "old-fashioned." Horne would say things like, "Hoglund, you've been at this hospital since the dark ages," and then criticize her for not using things like scheduling software, even though Horne never provided Hoglund training on how to use that software. Horne also made comments like, "I want to hire babies because they're easier to train."

When Hoglund returned to work after a leave of absence to care for her sister, who had cancer, her office was moved to a wheelchair storage closet in a separate building that had no windows and no ventilation.

Hoglund reported Horne's behavior to the human resources department multiple times, but her complaints were dismissed and no investigation was conducted.

After about six years, the hospital reduced its workforce and, influenced by Horne's biased evaluations of Hoglund, terminated Hoglund at the age of 62, replacing her with a much younger employee. The reasons the hospital gave for Hoglund's termination appeared unfounded, Greene explains. The hospital stated things such as Hoglund was lacking computer skills and she managed only outreach staff, which were untrue.

Roberts points out that this case shows how much liability an individual supervisor can create. "Supervisors can create substantial liability for us when they're unchecked and when human resources doesn't necessarily do the proper response to stop the conduct," he says.

## Important Takeaways

Employers can glean several important takeaways from the Hoglund case. Greene highlights that employers should:

- Not make generalizations about older workers;
- Ensure that supervisors are properly trained and, at a minimum, complete California's mandatory harassment prevention training every two years;
- Ensure supervisors are trained on how to communicate professionally, how to document decisions properly, and how to avoid biases when making decisions;
- Conduct investigations promptly and thoroughly when a complaint is made; and
- Monitor workplace culture.

Employers should regularly assess and address potential issues going on in their workplace, such as by conducting regular employee feedback surveys or holding focus groups to understand employees' concerns.

## Generational Diversity Challenges

In today's workforce, there are five generations that may be working in the same space: traditionalists (World War II generation), Baby Boomers, Gen X, Millennials, and Gen Z, the newest generation in the workforce. Each generation grew up in a radically different time, shaping not only how they see the world, but also how they show up in the workplace, Greene explains.

This generational diversity, while it brings opportunities, can also bring challenges to today's workforce, such as a difference in communication styles/preferences. Older generations may tend to prefer more face-to-face communication, while younger generations might prefer more digital methods of communication. A potential solution for this, Greene says, is for employers to use a mix of different communication methods in their workplace. This way, workers have an option to select the method that works best for them.

Another challenge is that some workers may need additional technology training and support.

"We never want to deny an employee a training opportunity because of their age or make assumptions that they need or don't need this training because of their age. So open that door for everybody to get trained as needed," Greene stresses.

Employees may also differ in their expectations for feedback. Older generations may tend to be more familiar and comfortable with a formal review process for feedback, whereas younger generations might prefer regular check-ins and other less formal feedback methods. Employers can tackle this challenge by customizing their feedback methods to suit the individual preference of the employee.

Lastly, another challenge employers may face in a multi-generational workforce may be a culture of stereotyping. Employers can overcome this by providing diversity training and promoting a culture of inclusivity and respect.

"We really want to make sure we're fostering a culture where both similarities and differences are appreciated and respected. And I think this really starts from the top down. So upper management needs to be the one to set the example here. If it's not happening at the top, it's probably not going to happen at all," Greene says.

# Job Killer Bill Chilling Employer Speech Awaits Action in Assembly


A California Chamber of Commerce **job killer** bill that chills employer speech on certain matters, including unionization, awaits action in the Assembly Appropriations Committee.

The bill, **SB 399 (Wahab; D-Hayward)**, chills employer speech regarding religious and political matters, including unionization. The bill is likely unconstitutional under the First Amendment and preempted by the National Labor Relations Act (NLRA).

SB 399 was first introduced last year and was placed on the Assembly Appropriations Committee's suspense file earlier this year. The bill may be brought up for consideration again next month when legislators return from summer recess.

## Limits on Employer Speech

SB 399 effectively prohibits discussions regarding political matters in the workplace, specifically preventing employers from requiring employees to attend "an employer-sponsored meeting" or "participate in, receive, or listen to any communications with the employer" where the purpose is to communicate the employer's opinion "about" political matters. "Political matters" is broadly defined.

In an opposition letter, the CalChamber pointed out that the intent of SB 399 is to effectively chill any communications by the employer or in the workplace about political matters.

Because SB 399 creates a new section of the Labor Code, any good faith error in interpreting the bill or its exceptions creates liability, including under the Private Attorneys General Act (PAGA).

Moreover, California and federal law already protect against employer coercion related to political matters. For example, the NLRA prohibits employers from making any threats to employees, interfering with or restraining exercise of their rights, coercing employees, or promising benefits to employees for voting a certain way in a union election, and there are specific provisions in the Labor Code protecting employee engagement in political matters, the CalChamber explained.

## First Amendment Rights

SB 399 likely violates the First Amendment. SB 399 is a content-based restriction on speech. For example, under the bill, an employer could require its employees to listen to communications about its opinion on a local sports team, but not about pending legislation. Content-based restrictions on speech are presumptively unconstitutional.

Additionally, SB 399 effectively prohibits employers from providing a forum for discussion, debate and expressing their opinions regarding matters of public concern, which is protected under the First Amendment. That holds true whether the speaker is an individual or a corporation.

Further, it is clear that the motive behind SB 399's prohibition on employers discussing their opinions about unionization or pending bills is the assumption that employers will talk to their employees about the downsides of unionization and union-sponsored efforts.

"That is clear viewpoint-based discrimination, which also runs afoul of the First Amendment," the CalChamber pointed out.

## Preempted by NLRA

SB 399 forbids employers from requiring employees to attend "an employer-sponsored meeting" or "participate in any communications with the employer" where the purpose is to communicate the employer's opinion about the decision to join or support a labor organization. That provision is preempted by the NLRA, the CalChamber said.

State law is preempted by the NLRA where it interferes with the National Labor Relations Board (NLRB) interpretation and enforcement of the NLRA, regulates activity that the NLRA protects, prohibits, or arguably protects or prohibits, or regulates conduct that Congress intended to be left to the "free play of economic forces."

Employers have the right to express their views and opinions regarding labor organizations. The NLRB has stated that Congress had intended for both employers and unions to be free to influence employees as long as the speech is noncoercive.

The U.S. Supreme Court also held that Section 8(c) of the NLRA has been interpreted as implementing the First Amendment for employers and as congressional intent to encourage free debate on issues between labor and management, rebuking the position that employer meetings on this topic should be banned as inherently coercive, the CalChamber explained.

"It is evident that the NLRA protects the employer's right to require employee attendance in meetings or participation in communications regarding its opinion on union organizing," the CalChamber said. "Further, Section 8(c) was intended to create the 'free play of economic forces' by encouraging debate on the issue of unionization. SB 399's prohibition on employers' rights and interference with free debate over the issue of labor organizing means it is clearly preempted by the NLRA."

Similar laws have been enacted in other states. One was struck down, one was repealed because the state agreed that the provision was preempted by the NLRA, one lawsuit was dismissed solely based on a ripeness issue, and two more are presently in litigation.

**Staff Contact: Ashley Hoffman**

# African Growth and Opportunity Act: President Biden Urges Reauthorization

As stakeholders gathered last week for the African Growth and Opportunity Act (AGOA) Forum, President Joe Biden called on Congress to quickly reauthorize and modernize this landmark act — which is set to expire in 2025.

Enacted in May 2000, the AGOA is the cornerstone of U.S. economic and commercial engagement with the countries of sub-Saharan Africa.

The U.S. Trade Representative (USTR) hosted the AGOA forum, July 24–26 in Washington, D.C.

According to the USTR, AGOA provides eligible sub-Saharan African countries with duty-free access to the U.S. market for more than 1,800 products, in addition to the more than 5,000 products that are eligible for duty-free access under the Generalized System of Preferences program. Thirty-two countries are eligible for AGOA benefits in 2024.

To meet AGOA's rigorous eligibility requirements, countries must establish or make continual progress toward establishing a market-based economy, the rule of law, political pluralism, and the right to due process. Additionally, countries must eliminate barriers to U.S. trade and investment, and enact policies to reduce poverty, combat corruption and protect human rights.

By providing new market opportunities, AGOA has helped bolster economic growth, promoted economic and political reform, and improved U.S. economic relations in the region.

Congress first passed the program in 2000, when Bill Clinton was president, and has renewed it several times with bipartisan support.

The latest 10-year extension expires on September 30, 2025, and Congress has been slow to renew the program.

## AGOA Forum

The theme of the 2024 AGOA Forum was "Beyond 2025: Reimagining AGOA for an Inclusive, Sustainable and Prosperous Tomorrow."

The Forum brought together senior government officials from the United States and AGOA-eligible countries, as well as representatives from regional economic organizations, labor, civil society and the private sector.

Senate Bill S.4110 — the AGOA Renewal and Improvement Act of 2024 — has been introduced in Congress and referred to the U.S. Senate Committee on Finance for initial consideration.

The new act extends the AGOA preference sunset date for 16 years. Instead of expiring in September 2025, the AGOA will expire in September 2041. This long-term extension is expected to provide greater stability and predictability for trade relations between the United States and AGOA-eligible countries.

## Annual AGOA Report

According to the 2024 AGOA Biennial Report, released on June 27, since the act was signed into law in May 2000, it has played a critical role in the United States' trade relationship with sub-Saharan Africa.

AGOA has fostered economic growth and development on the continent and has created tens of thousands of jobs for its people. AGOA has also continued to encourage U.S. companies to both do business with and invest in sub-Saharan Africa and has encouraged African governments to develop and implement African-led solutions to economic and political reforms.

In 2023, U.S. imports under AGOA (including the Generalized System of Preferences) totaled $9.7 billion. This consisted of approximately $4.2 billion in crude oil and $5.5 billion in other products, including $1.1 billion in apparel and more than $900 million in agricultural products. The biennial report is required by the U.S. Congress.

## History of AGOA

The California Chamber of Commerce supported the AGOA, which President Bill Clinton signed on May 19, 2000, as part of The Trade and Development Act of 2000.

President George W. Bush signed legislation on July 13, 2004, extending the AGOA from 2008 to 2015. In 2015, Congress passed and President Barack Obama signed legislation modernizing and extending the program to 2025.

The act embodies a trade and investment-centered approach to development. Enactment of the AGOA has stimulated the growth of the African private sector and provided incentives for further reform. The AGOA is aimed at transforming the relationship between the United States and sub-Saharan Africa away from aid dependence to enhanced commerce by providing commercial incentives to encourage bilateral trade.

## CalChamber Position

The CalChamber believes that it is in the mutual economic interest of the United States and sub-Saharan Africa to promote stable and sustainable economic growth and development in sub-Saharan Africa and that this growth depends in large measure upon developing a receptive environment for trade and investment.

The CalChamber is supportive of the United States seeking to facilitate market-led economic growth in, and thereby the social and economic development of, the countries of sub-Saharan Africa. In particular, the CalChamber is supportive of the United States seeking to assist sub-Saharan African countries, and the private sector in those countries, to achieve economic self-reliance.

**Staff Contact: Susanne T. Stirling**

# CalChamber-Sponsored AI Literacy Bill Awaits Action in Senate


Legislation **sponsored** by the California Chamber of Commerce to foster artificial intelligence (AI) instruction in California schools awaits action in the California Senate when legislators return from summer recess on August 5.

**AB 2876 (Berman; D-Palo Alto)** allows California to take a step forward in fostering an AI-literate population and future workforce by teaching AI literacy in schools.

The bill requires the Instructional Quality Commission (IQC) to consider adding media literacy and AI literacy the next time the State Board of Education adopts the instructional materials for the English language arts/English language development curriculum framework.

## Fostering AI Literacy

In supporting AB 2876, the CalChamber and a coalition of industry organizations and local chambers of commerce explain that fostering AI literacy means teaching students the skillsets needed to understand and use AI, as well as the limitations, implications and ethical considerations of AI use.

Incorporating this information into existing curricula "will dispel the stigma and mystique of the technology, not only helping students become more discerning and intentional users and consumers of AI, but also better positioning future generations of workers to succeed in an AI-driven workforce and hopefully inspiring the next generation of computer scientists," the coalition states in a letter.

## Widespread Impact

More than any other technological advancement since the advent of the internet, the groups say, "AI is undeniably a transformative technology that will have a widespread impact on virtually all aspects of society and the economy."

Examples of areas in which AI will have an impact include lifesaving advancements in medicine, optimizing energy usage to address climate change and identifying efficiencies across the economy.

## Poll Results

In addition to advancements not yet imagined, however, AI also can be applied in less desirable ways, such as spreading disinformation.

Polling shows the mixed sentiments of Americans.

The Pew Research Center reported in November 2023 that "52% of Americans are more concerned than excited about AI in their daily life, compared with just 10% who say they are more excited than concerned; 36% feel a fix of excitement and concern."

In a recent CalChamber poll of likely California voters, 27% said they think AI will have a "positive impact" on their life in the next few years, while 35% said "negative impact," 12% said "no impact" and 27% said they were not sure.

Among parents specifically, 39% said AI will have a positive impact on their child's life over the next several decades, compared to 40% who said they believe AI will have a negative impact.

## Key to Harnessing Benefits

While the mixed sentiments and mistrust are understandable, lack of AI literacy makes it more difficult to counteract the challenges posed by this technology, which in turn only breeds more mistrust.

Public education is the key to breaking that cycle and making AI's potential benefits a reality while also limiting its negative outcomes, the coalition asserts.

"If California is to successfully harness the tremendous promise of this technology, it is vital that we place greater emphasis and resources on preparing students and arming them with the foundational knowledge and skills necessary to identify, understand, and successfully utilize all kinds of AI that they may encounter in their future workplaces and in their daily lives," the coalition says.

"Just like reading, writing, and arithmetic, digital literacy and AI literacy are basic skills that children need to develop if they are to succeed in the modern world," the coalition concludes.

**Staff Contact: Ronak Daylami**

# CalChamber Opposes Prop. 32 Minimum Wage Increase Ballot Measure

*From Page 1*

communities and our economy will be hit hard if Proposition 32 becomes law," said Barrera. "Businesses will be saddled with a sustained rise in workforce costs that may be unsustainable."

Proposition 32 hurts workers because it will result in a reduction of jobs and reduced working hours for California employees, disproportionately impacting those with limited training or who are new to the workforce.

Importantly to employers, the measure will lead to an increase in payroll expenses because they will be forced to increase wages for many exempt workers. Under California law, to qualify as "exempt," an employee must make at least twice the minimum wage. Currently, that minimum annual salary with a $16 an hour minimum wage is $66,560. Under an $18 an hour minimum wage, that minimum salary would be $74,880.

## Proposition 32 Provisions

Proposition 32 increases the minimum wage for employers with more than 25 employees from the current $16 an hour to a $17 hourly wage for 2024 and $18 hourly wage in 2025. For employers with 25 or fewer employees, the minimum wage would increase to $17 an hour in 2025 and $18 an hour in 2026. Minimum wages would thereafter be increased annually by an inflation adjustment—the equivalent of the consumer price index (CPI), but no greater than 3.5% a year.

# Governor Signs CalChamber-Sponsored Family Leave Mediation Bill

*From Page 1*

The regulations governing CFRA are lengthy and complex. Small employers do not have the means to hire human resources professionals or counsel to advise them on the details. The private right of action in CFRA means any mistake exposes small businesses to lawsuits that could quickly put them out of business.

To alleviate SB 1383's threat of litigation for small businesses, budget trailer bill AB 1867 of 2020 required the Department of Fair Employment and Housing (DFEH), now, the Civil Rights Department, to establish a small employer mediation pilot program. All family leave claims brought against small employers with five to 19 employees could be sent to mediation, instead of directly to court.

In 2021, **AB 1033 (Bauer-Kahan; D-Orinda)** improved the processes within the program and AB 1949 (Low; D-Silicon Valley) added bereavement leave to the scope of the program. Without AB 2011, the program is set to sunset on January 1, 2025.

Since its inception, the program has been successful. More than half of the mediated cases have resulted in settlement with hundreds of thousands of dollars going directly to workers.

**Staff Contact: Ashley Hoffman**