

# ALERT

*Election 2024*

## CalChamber Announces Ballot Measure Positions



The California Chamber of Commerce Board of Directors has voted to take positions on

several ballot measures appearing on California's upcoming November election.

The list below shows the CalChamber's position on each ballot measure, including

those previously announced by the Board. Ballot positions adopted on September 13 are marked by an asterisk (\*):

- Proposition 2\*: Authorizes Bonds for Public School and Community College Facilities. – Support.
- Proposition 3\*: Constitutional Right to Marriage. – Support.
- Proposition 4\*: Authorizes Bonds for Safe Drinking Water, Wildfire Preven-

*See CalChamber Announces: Page 3*

## CalTax Files Suit Challenging State's Retroactive Tax Increase



The California Taxpayers Association (CalTax) filed suit last month to challenge a retroactive tax increase, claiming it infringes on the rights of businesses operating in California.

The lawsuit, filed on August 15 in Fresno County Superior Court, targets **Senate Bill 167** (Chapter 34, Statutes of 2024). The bill, which was opposed by the California Chamber of Commerce, retroactively changed the rules for apportioning global income to determine what portion is taxable in California.

This change, which was adopted in a state budget trailer bill to boost revenue, will lead to higher taxes for many businesses for periods that ended decades ago, according to CalTax.

"This legislation imposes a retroactive tax hike that would reach back several decades, allowing California's tax collectors to go after companies that already paid every cent of the taxes owed under the laws that were in place at the time," said CalTax President Robert Gutierrez. "This egregious violation of taxpayers' rights cannot go unchallenged."

*See CalTax: Page 5*

## Australia Consul General Highlights Strong California Links for Clean Energy Projects



California-Australia connections were the focus of a CalChamber international breakfast meeting last week featuring remarks by Australia Consul General Tanya Bennett. Pictured here after the meeting are (from left) Hannah Jenkins, Consulate General of Australia – Los Angeles; Consul General Bennett; Jennifer Haley, president/CEO, Kern Energy; and Susanne T. Stirling, senior vice president, international affairs, CalChamber. See story on [Page 4](#).

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## Labor Law Corner

# Pay for Jury Duty Depends on Employee Status: Exempt or Nonexempt



**Lisa Guzman**  
Employment Law  
Expert

*One of our exempt managers has requested leave to attend jury duty. Do we have to allow him to go on jury duty and if so, how much time off do we have to grant him? Do we have to pay an employee who is out on jury duty?*

Jury duty is a civic responsibility in which most employees will be called on to participate. Under California law, employers are required to provide all employees with the necessary time off work to serve on a jury or as a witness.

Whether wages must be paid to an employee who takes time off for jury duty or witness service depends on the employee's status as a nonexempt or exempt employee.

### Labor Code

California Labor Code Section 230 provides that an employer shall not discharge or discriminate against an employee for taking time off to serve on an inquest jury or trial jury. The law also extends to time off an employee may need to appear in court in compliance with a subpoena or court order as a witness. These provisions apply to all employers.

Employees are eligible for jury or witness duty, so long as they give reasonable notice to the employer that they are required to serve. An employer may require that the employee provide documentation from the court, such as a summons or proof of service.

Here, if the manager gave reasonable notice to the company, he must be provided the necessary time off for jury duty. There is no restriction on the amount of time the employee can be

absent for jury or witness service.

Any employee who is discharged, threatened with discharge, demoted, suspended or in any manner discriminated against because of time taken off to serve on a jury or as a witness is entitled to reinstatement and back wages and benefits. (California Labor Code Section 230 (g)).

### Paying Employees During Jury/Witness Duty

Whether an employer must pay wages to an employee on jury or witness duty depends on an employee's status as a nonexempt or exempt employee.

#### Nonexempt Employee Pay

An employer is not required to pay a nonexempt employee's wages while the employee serves on a jury or as a witness, unless the employer has a voluntary policy of providing pay.

Employer pay policies may offer pay for several days or weeks off for employees who serve on a jury or appear as a witness.

Rather than take unpaid time off, a nonexempt employee may choose to use

*See Pay for Jury: Page 7*

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

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

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## CalChamber-Sponsored Seminars/Trade Shows

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

### Labor and Employment

Supervisor Essentials: Workplace Compliance. CalChamber. September 26, Online. (800) 331-8877.

Supervisor Essentials: Wage and Hour. CalChamber. September 27, Online. (800) 331-8877.

### International Trade

Complying with U.S. Export Controls. Bureau of Industry and Security, Professional Association of Exporters and Importers. September 24–25, Milpitas. (408) 532-8234.

Encryption Controls. Bureau of Industry and Security, Professional Association of Exporters and Importers. September 26, Milpitas. (408) 532-8234.

2024 California Pavilion @ Industrial Transformation Mexico. Governor's Office of Business and Economic Development (GO-Biz). October 8–11, Leon, Guanajuato, Mexico. [Diana.Dominguez@gobiz.ca.gov](mailto:Diana.Dominguez@gobiz.ca.gov).  
World Chambers Federation (WCF)

Europe & Asia Summit. International Chamber of Commerce (ICC) World Chambers Federation. October 15–16, Istanbul, Turkey. [wcfsummit@tobb.org](mailto:wcfsummit@tobb.org).

Japan International Aerospace Exhibition: California Pavilion. GO-Biz. October 16–18, Tokyo, Japan. [emily.desai@gobiz.ca.gov](mailto:emily.desai@gobiz.ca.gov).

Africa Health. GO-Biz awarding export vouchers. October 22–24, Cape Town, South Africa. [patricia.utterback@gobiz.ca.gov](mailto:patricia.utterback@gobiz.ca.gov).

Cosmoprof Asia 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](mailto:patricia.utterback@gobiz.ca.gov).

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## The Workplace

# Court Rulings Spotlight Complex Harassment Issues



In **Episode 205** of The Workplace podcast, CalChamber Associate General Counsel Matthew Roberts and Employment

Law Subject Matter Expert Vanessa Greene examine two recent court cases — *Bailey v. San Francisco District Attorney's Office* and *Okonowsky v. Garland* — that highlight complex incidences of workplace harassment, retaliation, and social media.

### **Bailey v. San Francisco District Attorney's Office**

In *Bailey v. San Francisco District Attorney's Office*, the California Supreme Court recently ruled that even a single incident of harassment may be actionable if it is sufficiently severe.

In *Bailey*, Twanda Bailey alleged that she was called the N-word by a colleague, Saras Larkin, at the San Francisco District Attorney's Office. Because the colleague was close friends with the office's personnel officer, Bailey was afraid to step forward regarding the incident. When Bailey's supervisor eventually learned of the incident, a meeting was held with the personnel officer to discuss the incident. Larkin, who denied using the slur, was counseled on the city's harassment policy and then nothing more was done, Greene explains.

Roberts points out that due to its historical context and how offensive the word is, the use of the N-word in the workplace should be a pretty big problem.

The city of San Francisco, however, came to the conclusion that because use of the N-word happened in only one incident, it wasn't enough to create a hostile

work environment, Greene says.

The California Supreme Court saw it differently. Contrary to the city and a lower court's opinion, the Supreme Court ruled in favor of Bailey, pointing to the historical weight that makes the N-word so deeply harmful, especially in a small, shared workplace like the one in which Bailey worked.

In her lawsuit, Bailey also alleged she was retaliated against by the personnel officer, who chastised her for telling coworkers about her harassment incident, failed to file an official complaint of the harassment and made threatening gestures toward Bailey in the parking lot.

Roberts notes that this case demonstrates that retaliation isn't limited to firing an employee; it can encompass any adverse employment action, like shunning and ostracization.

"Bailey's case is really instructive on a couple points there for us. Obviously, the importance of a zero-tolerance policy, whether it's severe or not, because, again, just one instance can be a problem there at the workplace. And then making sure retaliatory behavior in all of its forms is not occurring when somebody comes forward with a protected activity," Roberts says.

### **Okonowsky v. Garland**

Last month, the U.S. Court of Appeals for the Ninth Circuit ruled in *Okonowsky v. Garland* that an employer may be held liable for a hostile work environment claim based on harassing content posted on an employee's personal social media account outside the workplace.

In *Okonowsky v. Garland*, Lindsay Okonowsky, a psychologist at a federal prison, alleged that she experienced a hostile work environment due to a series of sexually explicit and derogatory

Instagram posts made by her colleague, corrections Lieutenant Steven Hellman. The posts, which targeted her and other women, were visible to numerous prison employees, including management.

When Okonowsky brought this to the attention of her superiors, including the human resources manager, she was told to "toughen up" and "get a sense of humor," Greene says. Okonowsky's complaint wasn't taken seriously until months later when the prison got a new warden.

Roberts points out that like in *Bailey*, Okonowsky's employers failed to conduct a proper investigation.

"We see this time and time again—employers really need to understand that there's both legal and practical reasons why they need to investigate and take these things seriously. Legally, employers are required to investigate, but it's not just about the legal checking of the box. Practically, it's about getting to the facts so we can prevent future instances of harassment in our workplace, and if we don't do that, we're putting our employees at risk, and we're potentially damaging our work environment," Greene says.

In *Okonowsky*, the district court initially granted summary judgment in favor of the government, reasoning that because Hellman was using his personal social media account, workplace harassment rules did not apply.

The Ninth Circuit reversed the district court's decision, stating that it's not about when or where the conduct occurs, so much as who the audience is. And in this case, the audience included Okonowsky and her coworkers. Moreover, the conduct carried over into the workplace, making Okonowsky feel unsafe and uncomfortable to go to work because of the posts that were happening on Instagram, Greene explains.

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tion, and Protecting Communities and Natural Lands from Climate Risks.

– Neutral.

- Proposition 5: Authorizes Local Bonds for Affordable Housing and Public Infrastructure with 55% Voter Approval.

– Oppose.

- Proposition 6: Eliminates Constitutional Provision Allowing Involuntary

Servitude for Incarcerated Persons. – No Position (Board did not consider this measure).

- Proposition 32: Raises Minimum Wage. – Oppose.

- Proposition 33: Expands Local Governments' Authority to Enact Rent Control on Residential Property.

– Oppose.

- Proposition 34\*: Restricts Spending

of Prescription Drug Revenues by Certain Health Care Providers. – Support.

- Proposition 35\*: Provides Permanent Funding for Medi-Cal Health Care Services. – Neutral.

- Proposition 36\*: Allows Felony Charges and Increases Sentences for Certain Drug and Theft Crimes. – Support.

For more information, see the special report inside this edition of *Alert*.



# Australia Consul General Highlights Strong California Links for Clean Energy Projects



Australia Consul General Tanya Bennett

Overlapping interests and shared values make Australia, the United States and California strong partners on economic, security and climate change issues, Australia Consul General Tanya Bennett told a California Chamber of Commerce breakfast audience last week.

Bennett was the featured speaker at the September 13 breakfast hosted by the CalChamber Council for International Trade. Her talk and lively exchanges with the audience underscored the many existing connections between Australia and the United States.

The Consul General identified the three pillars of the relationship between Australia, the United States and California as their longstanding economic partnership; the strategic alliance for security and defense

in the region; and work on climate and clean energy policies.

## Longtime Partners

Recapping the economic partnership, Bennett noted that two-way trade between Australia and California was \$6.7 billion in 2023, and California is one of Australia's largest state trading partners. Top California exports to Australia include aerospace, medical and communications equipment.

More than 400 Australian companies are located across California, generating 12,000 jobs, and each week there is notice of a new Aussie company that has located in the state.

Moving on to the U.S.-Australia defense alliance, Bennett pointed to recent meetings of U.S. and Australia counterparts in the government agencies responsible for defense. A significant development

Kingdom and the United States have created mechanisms that will facilitate billions of dollars in secure defense trade without the need for further authorizations. That work has created an "enabling environment" for much more commercial activity, she said.

## Climate/Clean Energy

Consul General Bennett devoted much of her remarks to the opportunities for collaborations in climate and clean energy policy.

Australia and California have similar experiences related to wildfire, droughts and flood risks, she observed. For example, the two have exchanged firefighting personnel and equipment for many years. The memorandum of understanding (MOU) with California, signed last year, is the only climate MOU Australia has signed, an indication of the impact

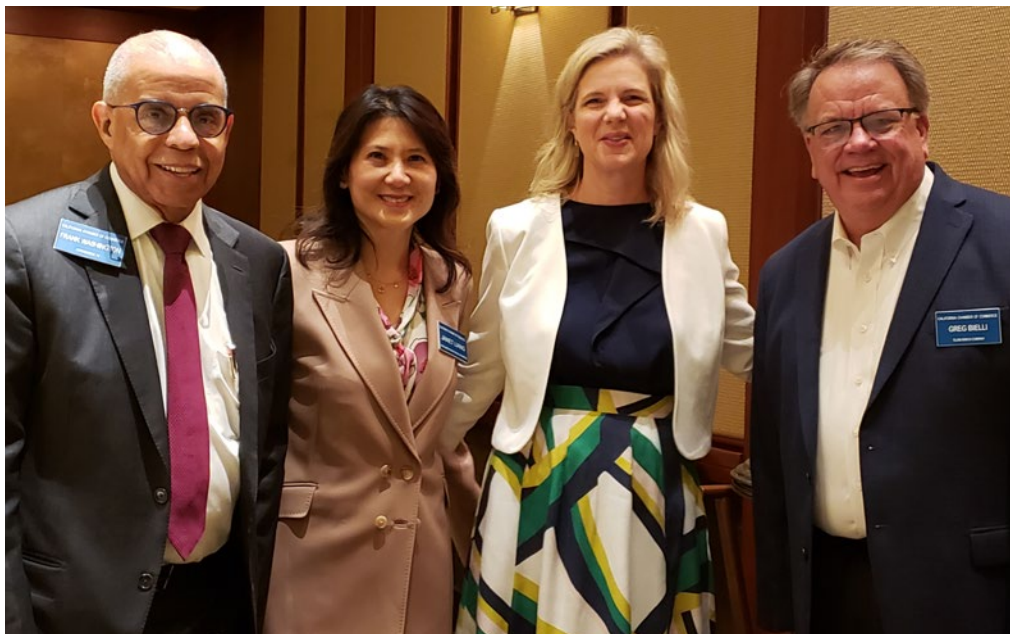
and importance Australia places on this area, she emphasized.

The signing of the MOU takes place against the backdrop of changing worldwide security and economic dynamics. Bennett commented that there is a commonality in how nations are structuring their economies and moving to protect their interests, including through policies to secure their energy needs, drawing an

explicit link between economic security and national security.

The "Future Made in Australia"

*See Australia: Page 18*



(From left) Frank Washington, CEO, Crossings TV; CalChamber Chair Janet A. Liang, EVP, Group President and COO, Care Delivery, Kaiser Foundation Health Plan, Inc. and Hospitals; Australia Consul General Tanya Bennett; and Gregory S. Bielli, president and CEO, Tejon Ranch Company.

in the defense relationship, she said, is progress being made on aligning export controls to strengthen defense capabilities.

She noted that Australia, the United

## CalChamber Gets Preview of Disney Project Investment in Community



Carrie Nocella, director of external affairs for the Disneyland Resort, appears at the CalChamber Board of Directors dinner on September 12 in Anaheim to give an overview of Disneyland-Forward, the recently approved multi-decade plan for Disney to invest more than \$1.9 billion to expand the Disneyland footprint and provide multiple community benefits. Besides the theme park and related lodging construction, the project — to be paid for without public funding — includes affordable housing projects, community park and traffic flow improvements. The predicted increase in city tax revenues will help pay for firefighters, police and other services for Anaheim residents.

## CalTax Files Suit Challenging State’s Retroactive Tax Increase

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### Corporate Tax Increase on Foreign Dividends

Among other things, SB 167 requires companies to exclude foreign dividends from their sales factor when making a water’s-edge election. This was inaccurately described during legislative discussions as a “clarification of existing law,” when it actually overturns a law that has been in place since the 1960s, CalTax said.

The new law disregards the decisions of two independent panels from the Office of Tax Appeals (OTA), which had clearly ruled that the longstanding law permitted companies to include foreign

dividends in their sales factor. Additionally, the Department of Finance revenue projections for SB 167 indicated it would immediately generate \$1.3 billion, with an additional \$200 million annually.

“This legislation shreds well-reasoned, unanimous decisions of California’s Office of Tax Appeals and serves as a not-so-hidden tax increase,” Gutierrez said. “This is a cash grab that undermines the tax system and threatens the integrity of the tax appeals process in California, and it must be stopped.”

### Reasons for CalChamber Opposition

In addition to the tax increase outlined

above, the CalChamber opposed SB 167 because its budget provisions suspended the net operating loss deduction, and limited the utilization of business tax incentives and credits, among several other changes that would harm the state’s business climate.

Credits limited by SB 167 include:

- research-and-development tax credit;
- incentives for hiring California workers;
- incentives for filming motion pictures and television productions in California; and
- elimination of bad debt deduction.

**Staff Contact: Preston Young**



## Helping Business In A Global Economy

[www.calchamber.com/international](http://www.calchamber.com/international)



*California Works*

# LeadingAge California and Members Equip State for an Aging Population



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



A seismic demographic shift is underway: by 2030, one in four California residents will be **aged 60 or older**. As the golden years of life take increasingly complex and varied turns, the state and industry partners must adapt. Providing innovative solutions to critical support systems ahead of time will help meet the demands of a changing older-adult population.

Enter **LeadingAge California**, one of the state's preeminent older adult and nonprofit provider advocacy organizations, spearheading a novel solution to the state's emerging workforce development needs.

Its hallmark Gateway-In Project, funded by \$35 million in California Department of Health Care Access and Information (HCAI) and California Department of Aging (CDA) grants, has trained more than 3,000 graduates with interest from more than 15,000 individuals eager to break into the health care field.

The Gateway-In Project trains the next generation of certified nurse assistants (CNA), home health aides and other paraprofessionals. In addition to free hands-on training statewide, it provides wraparound service financial support, job placement assistance and incentives for career growth, development and retention.

LeadingAge California and its approximately 800 member organizations are diligently preparing a future-ready direct-care workforce, ensuring more Californians will have the access to the high-quality health care needed to continue to thrive



**Alina Zargaryan, HumanGood U recipient and team member, completed her M.B.A. with honors from the University of Arizona Global Campus.**

Photo courtesy HumanGood

and age with dignity — all while fueling the private sector and contributing to California's economic muscle.

Here are a few LeadingAge California member companies leading the way.



## HumanGood

### Team Member Empowerment

With nearly 70 communities in California, **HumanGood's** mission to "inspire your best life" starts with its 5,000 team members. This commitment is exemplified by HumanGood U, offering development opportunities from CNA training to fully paid undergraduate and graduate degrees with the University of Arizona.

As California's largest nonprofit provider of older-adult housing and services, and the seventh-largest organi-

zation of its kind in the nation, HumanGood prioritizes growth and staff development.

Since the launch of HumanGood U three years ago, 21 team members have graduated debt-free, saving an average of \$10,000–\$12,000 each. In addition, 133 team members have received financial assistance for tuition, and those who completed a program have a 25% promotion rate.



## Eskaton

### Retooling Existing Training Models

**Eskaton**, one of the largest nonprofit providers of services to older adults for more than 55 years, consistently demonstrates growth adaptability.

*See [LeadingAge](#): Page 19*

## Quick Look at U.S. Political Landscape Featured at CalChamber Dinner



Ashlee Rich Stephenson, senior political strategist for the U.S. Chamber of Commerce, highlights the unusual twists and turns in the 2024 presidential campaign since the end of June at the CalChamber Board of Directors dinner on September 12. She advises listeners to have patience when awaiting presidential election results because Pennsylvania, the top swing state, doesn't start counting votes until election night. As for Congress, Stephenson says the U.S. Chamber has identified scenarios ranging from a Republican sweep to a Democratic sweep to divided government.

## Pay for Jury Duty Depends on Employee Status: Exempt or Nonexempt

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their accrued vacation or paid time off (PTO). An employer cannot require use of vacation or PTO. (California Labor Code Section 230 (i)).

### **Exempt Employee Pay**

In general, if an employee is exempt and performs any work during a workweek, they must be paid their full salary. An employer cannot make deductions from an exempt employee's salary for absences caused by jury or witness duty.

However, an employer can make deductions from an exempt employee's pay if the employee performs no work at all in the workweek. (Division of Labor Standards Enforcement, *Enforcement Policies and Interpretations Manual* 51.6.21, 51.6.21.1).

Because of the nature of exempt

work, it is very unlikely that an exempt employee on jury or witness duty will perform no work at all during a workweek. The employee may be on jury or witness duty for only part of the day or week, may check messages and emails during lunchtime or breaks, or work after jury or witness duty before the day ends. Here, the exempt manager will be paid his full salary during jury duty if he does any work during the workweek.

If an employer does not want to be legally obligated to pay an exempt employee's salary during jury or witness duty, the employer should make it clear to the employee that absolutely no work is to be performed.

The employer also should consider taking additional steps, such as delegating all the employee's work responsibil-

ities to someone else and blocking the employee's access to the work server and emails.

### **Return to Work from Jury/Witness Duty**

Unless there are extenuating circumstances, such as layoffs, the employee must be reinstated to their previous job once they have completed jury duty or witness service.

If an employer must lay off an employee who takes jury or witness leave, the employee has the same rights and seniority as if they had been at 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.hrcaifornia.com](http://www.hrcaifornia.com).*

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# State Economic Challenges Reflect Policies Affecting Labor Market, Housing Supply

In March of this year *The Economist* ran an article with the headline “California is gripped by economic problems, with no easy fix. Rising unemployment, a growing deficit and persistent outmigration are a painful trinity.” The article concludes that the state is a weak spot in the middle of an otherwise healthy U.S. economy.

Although the picture is more complex than the headline implies, there is little doubt that California is not doing as well as it has in the past. The only substantial argument is over why the state is faring so poorly, and the depth of the rot.

The dominant narratives from the right and the left of the political spectrum obviously differ in their explanations. Those on the right confidently say that the state’s “socialist” policies and overregulation are strangling the business sector. The left, on the other hand, just as confidently claims that the problems are a function of yawning inequality and the crushing burden of rising housing costs.

## Misinterpretation

California is indeed facing some critical challenges, but these two very standard narratives largely misinterpret the causes and consequences of the problems.

First, these issues are not a sign that California’s economy is doing all that badly, and certainly not as badly on a number of dimensions as headlines would suggest. The state’s economy is growing, just at a slower-than-typical rate.

Second, a closer look at the issues highlighted by *The Economist* indicate that California’s problems relate to a number of unforced policy and fiscal errors, which have created a drag on the state’s ability to grow.

A change in approach would serve California well, but this can occur only if we align the narrative about the state’s economy with the reality.

## Labor Supply

A year ago, job growth in the state had stalled but, over the past year, has

the state and are able to grow because of their expanding labor force.

In contrast, the more expensive coastal markets have seen much less labor force growth, and hence less payroll job growth. The differential impact on California’s coastal communities is a function of slower growth in their housing supply combined with a greater share of their labor market entering retirement.

## Shifting Growth

California’s output and job growth data doesn’t show a state that has stumbled on hard times. Rather, the data reflects a state in which growth is shifting from the extensive margin to the intensive margin, as one might expect in a place that has seen no labor force growth in the last half decade.

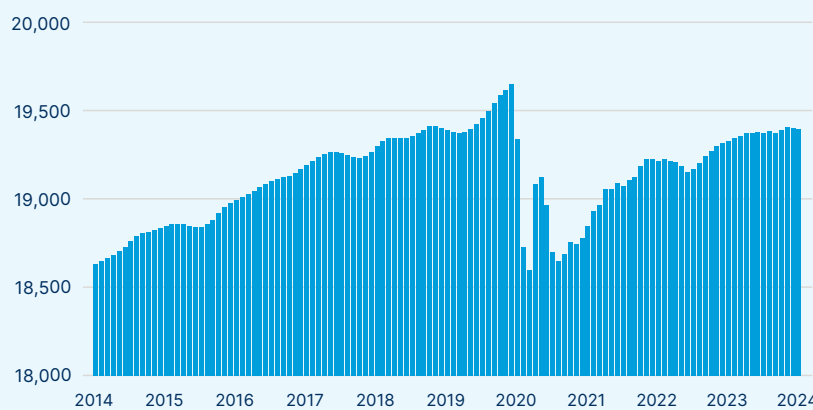
This extensive-to-intensive shift in growth

can be seen in the state’s per capita income data. Consider that California’s per capita personal income has been rising more rapidly than in the nation overall for a full decade. Per capita personal income in California is currently 17.5% higher than national personal income, or about 5% in real terms once we control for relative costs in the state. Yup, Californians are still doing better than the average person in the United States, at least on average.

The same conclusion can be drawn if we look at median household income or weekly earnings. Moreover, there hasn’t been a slowdown in consumer demand. Taxable sales in the state are still 23% higher than they were before the pandemic. The prices of goods that are taxed only went up by 11% over the same period.

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## California Labor Force



Source: U.S. Bureau of Labor Statistics; Analysis by Beacon Economics

rebounded to a 1.2% growth rate. This is slower than the national average but given that California’s labor force declined slightly over the same period and is still below its 2019 level (19.2 million in May 2024 compared to 19.25 million in May 2019), it’s clear the issue is one of labor supply, not labor demand.

California’s job opening rate is still higher than it was in 2019 despite lower job growth, according to the U.S. Bureau of Labor Statistics. The state is being held back primarily by a lack of new labor supply, not a lack of labor demand.

The pattern of growth across the state reflects this basic issue: California’s economy is slowing because of a lack of workers. The regions that have added significant payroll jobs over the last two years, such as the Inland Empire, Sacramento, Fresno, and Stockton, are all located in less expensive inland parts of



# Economic Challenges Reflect Policies Affecting Labor Market, Housing

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## Other Indicators

Some may retort that these averages do not reflect distributional differences; there is a wide difference in economic outcomes across the population and those at the bottom of the income spectrum may be suffering more than the average or median reveals. But even here, the evidence doesn't indicate such a dismal state of affairs. Tight labor markets have boosted the earnings of lower-paid workers both in California and the United States overall during the past decade, reducing income inequality.

In 2022, the state's poverty rate was 12.2%, slightly above where it was in 2019, but below any reading prior to 2018. In other words, it's still close to a record low level.

A good proxy for more recent outcomes is the data from Equifax and the Federal Reserve on the share of the population with a sub-prime credit score, which is a metric that is highly correlated with poverty. In every part of California, this data shows that the share of population with a sub-prime credit score is lower than it was in 2019 and far below where it was a decade ago.

The share today is slightly higher than it was in 2022 but given how overheated the economy was in 2022 (as reflected by high inflation) this seems like a return to normality rather than a new negative trend.

## Unintended Consequences

So, if California's economy is doing OK, why is the unemployment rate going up, why does the state have such an enormous budget deficit, and why are people moving out? The answer to all three questions lies in the law of unintended consequences, consequences that have resulted from California's poor policy

choices over the last decade.

Take the rise in the unemployment rate which, as of May 2024, sits at 5.2%, up by more than one percentage point over the last two years and now the highest of any state in the nation. In contrast, the unemployment rate in the United States as a whole has risen from 3.7% to just 4% over the last two years.

The increase in California's unemployment rate has occurred even though payroll employment has grown during

period of time. This is very unusual as changes in unemployment rates are typically highly correlated across age groups.

Though atypical, this pattern of employment change aligns well with how high minimum wages distort the labor market — something that Beacon Economics detailed in a recent white paper. California's push to reduce income inequality through the use of wage floors is beginning to have a significant negative impact on some of the most vulnerable workers in the state's economy — our youth, particularly those from lower-income households.

There are no gains left to reap from this policy — raising the minimum wage further will help some workers but only at the expense of many others.

California needs to reconsider its push to raise the minimum wage even higher this November, and instead focus on policies that do more to help lower-income households — and without causing unintended harm to other vulnerable

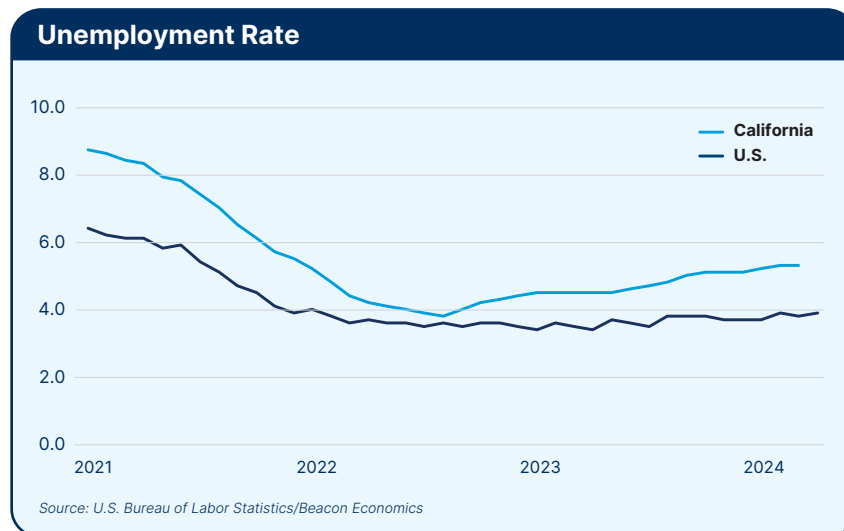
groups. Such policies include early childhood education (universal preschool), adult workforce development programs, and expansion of the Earned Income Tax Credit.

## Budget Deficit

As for the state's colossal budget deficit, that has been caused by the unforced error of sharply expanding spending on ongoing programs. These expansions have been based largely on the temporary surge in state revenues that accompanied the jump in asset values from 2020 to 2022.

This is the same problem that occurred during asset market surges back in 1999 and again in 2007, driven by California's excessive reliance on income taxes collected from high-income earners. Currently, the state government's spend-

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the past year, and without any noticeable increase in the number of initial claims for unemployment insurance. Clearly, this rise in unemployment isn't being driven by layoffs in the entertainment or tech industries.

## Labor Market

The cause may become clearer when we look at where the labor market is weakening. It turns out that the biggest increases in unemployment in the state are occurring among teenagers aged 16–19. The unemployment rate for this group has jumped from 14% to 23% in the last 12 months, compared to an increase of 10.8% to 12% for teenagers in the nation overall.

It also stands in contrast to the unemployment rate among 25–44 and 45–64-year-olds in California, which has actually dropped slightly over the same

# Economic Challenges Reflect Policies Affecting Labor Market, Housing

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ing out of the General Fund is above 7% of state personal income, which is the highest proportion the state has ever seen. In short, the deficit is a public spending problem and not a revenue one.

What about the issue of declining population? It's what's constraining California's labor supply, and thus, preventing more rapid job growth and (likely) better revenue growth.

California's household population has fallen by 360,000 in the last 5 years, representing a decline of slightly less than 1%. This drop is being driven primarily by negative net migration, meaning more people have moved out of the state than have moved in. However, California's population size did hold steady from 2023 to 2024, suggesting the worst of the declines are in the past.

## California's Housing Problem Is About Supply, Not Affordability

But why are people leaving? Popular narratives about why Californians are fleeing the state vary across the political spectrum, with some claiming it is the rich trying to escape high taxes, and others saying it is lower-income families fleeing high housing costs.

These differences are irrelevant because people aren't fleeing — they are being forced out. If people were leaving voluntarily, the housing vacancy rate would be rising.

However, the vacancy rate in California is not rising; it's falling and currently sits at or near a record low level depending on which survey you use. For example, the state's Department of Finance estimates the current housing vacancy rate at 6.4%, which is one percentage point lower than it was a decade ago.

## More Households

How do we reconcile these two seemingly contradictory trends of a declining population and a declining vacancy rate? By recognizing that while the population has fallen, the number of households has increased. This in turn has been driven by a decline in the number of people per household.

The data on changes in California's housing stock over the last decade show the number of people per household

to the Regional Housing Needs Allocation (RHNA) rules, despite SB 8 (a 2021 amendment to the Housing Crisis Act of 2019), SB 9 (The California HOME Act), changes in accessory dwelling unit (ADU) rules, and so on, California has simply failed to address its housing shortage.

And that is the critical issue — California's economy is being held back by the state's housing shortage, not by housing affordability. The failure to address the actual unit shortage and instead focus only on affordability misses the point and fuels gentrification.

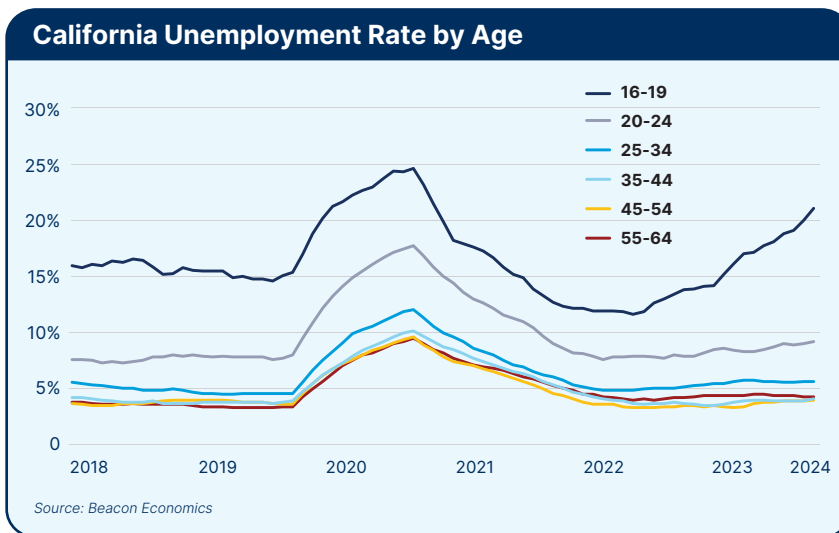
As the lack of housing supply drives up home prices, higher-income families who enjoy lower price sensitivity are moving in, pushing housing prices up even further, and pushing lower-income families, who face greater price sensitivity, out of the state. Today's market prices partly reflect the incomes of those moving in, which is why housing costs as a share of income have not really increased in the last decade. California's higher housing costs reflect the higher incomes of both renters and owners.

## Skewed Perspective

While the share of cost-burdened households is higher in the state than in the rest of the nation, it is worth noting that this metric delivers a skewed perspective on California's housing value, and on housing value generally.

What is not apparent, but more relevant, is that the choice to live in California is a function of the income that is left over after housing has been paid for, not a function of the share of income spent on housing. Consider that net of housing expenses, the median Californian household that owns their home earned 17% more than the rest of the nation in 2016 and 21.2% more in 2022.

*See Next Page*



declined by 6.2% while the housing stock increased by only 6.7%. Hence, the state's household population could have grown only by 0.5%, holding all else equal.

The extra 1% in population growth can be attributed to a decline in the vacancy rate. Essentially, the existing housing stock is being used more intensively than it was before.

For California's population to grow faster and, in turn, for the state's labor force to grow faster, there would need to be an increase in housing production — something the state has completely failed to do despite promises from Governor Gavin Newsom dating back to before his first term began.

The state continues to produce slightly less than 10,000 housing permits per month, which is exactly the same level as back in 2017. Despite all the changes

# Economic Challenges Reflect Policies Affecting Labor Market, Housing

*From Previous Page*

Californians make more money than residents in other states even after paying their high housing costs. For renters, the net-rent bonus for living in California has gone from 20.6% in 2016 to 26.9% in 2022. Despite the increase in housing costs, income growth shows that it is still worth it to move to California from a financial standpoint.

For those who live in California, the housing problem is not with affordability, but with supply. The lack of supply has forced prices up and compelled some residents to leave in search of more affordable housing. To prevent further exodus, the state needs to build enough new market-rate housing to meet incoming demand.

If California fails to do this, all existing and new affordable housing programs will be for naught; in sum, the market always wins. And this means, the state needs to go back to the drawing board and find effective solutions to increase its supply of housing units.

## Misguided Regulations

The modest efforts to increase supply that have been enacted at the state level have been more than offset by sharp increases in state and local regulations. These well-intentioned but misguided

regulations include limits on rental price increases, a widespread use of eviction moratoriums, a failure to prioritize market rate units for permitting, and even going so far as taxing the supply of new housing (so-called linkage fees) to subsidize incredibly expensive affordable housing units.

These types of regulations have more than undone any new supply that has been added. Incredibly, instead of pushing back on such counterproduc-

cause another decline in permits, which will in turn lead to yet another surge in out-migration from the state.

## Policy Stresses on Economy

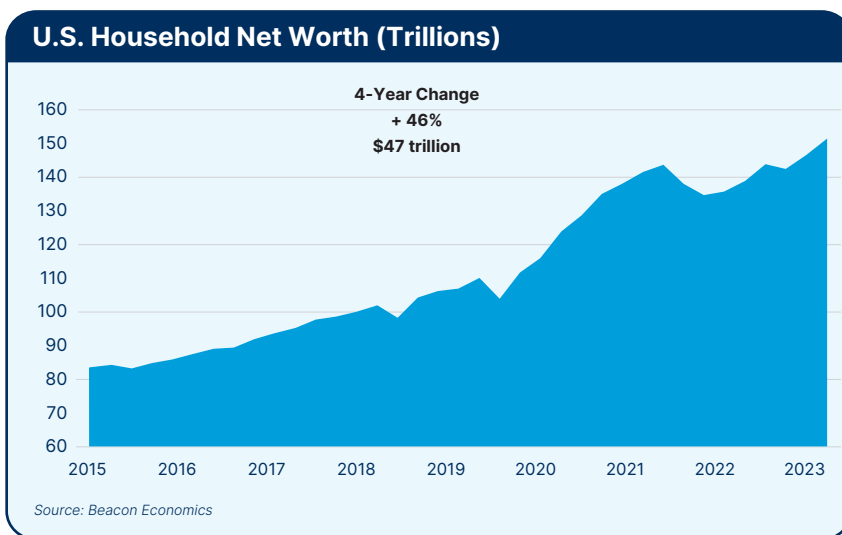
In sum, California’s economy is doing fine — except where it is being stressed by policies that are well-intentioned but causing more harm than good.

Tight labor markets have helped lower-paid workers significantly, but the insistence on pushing the minimum wage up to ever higher levels is starting to have a negative impact on some of the state’s most vulnerable workers — teenagers looking for entry-level jobs.

The budget deficit has been driven by a sharp expansion of ongoing social support programs, something that has occurred even though earnings among lower-income households have been on the rise and poverty rates are close to record lows.

Finally, the determination on the part of state and local authorities to put affordability

above housing supply as their primary goal has largely prevented the increase in new housing units that is so desperately needed and would lower housing costs.



tive policies, or engaging in more stringent housing supply rules, California’s government, as well as various local housing interest groups, are proposing to expand rent control — a change that is far more likely to shrink housing supply than expand it. If rent control expansion passes this November, it will undoubtedly

*This economic outlook report is adapted from the special report presented to the CalChamber Board of Directors by Christopher Thornberg, Ph.D., founding partner of Beacon Economics.*



# Overview of November Ballot Measures

Following are brief summaries of the measures that will appear on the November 5 General Election ballot. When the California Chamber of Commerce has taken a position, the reasons for that position are summarized.

The CalChamber encourages employers to share this information with their employees. Businesses are within their

rights to do so — just remember: NO PAYCHECK STUFFERS, no coercion, no rewarding or punishing employees (or threatening to do so) for their political activities or beliefs.

For more guidelines on political communications to employees, see the brochure at [www.calchamber.com/guidelines](http://www.calchamber.com/guidelines). Note the distinction between

internal communications (to employees, stockholders, and their families) and communications to external audiences (such as nonstockholder retirees, outside vendors, customers and passersby).

For more information on the ballot measures, see the links listed below or visit the website of the Secretary of State at [www.sos.ca.gov](http://www.sos.ca.gov).

## Proposition 2



### **Authorizes Bonds for Public School and Community College Facilities. Legislative Statute.**

Authorizes \$10 billion in general obligation bonds for repair, upgrade and construction of facilities at K–12 public schools (including charter schools), community colleges and career technical education programs, including for improvement of health and safety conditions and classroom upgrades. Requires annual audits.

**Placed on Ballot by:** Legislature: AB 247 (Muratsuchi; D-Torrance), Chapter 81, Statutes of 2024.

**CalChamber Position:** Support

### **Arguments For**

Proposition 2 proposes a financing plan that will continue the highly successful School Facility Program, established in 1998 to ensure that the state, school districts and builders in areas of new growth partner to provide the financing needed to construct and improve school facilities throughout the state. Since its inception, this three-way partnership of local school bonds, reasonable developer fees and state funding has provided classroom space for more than a million students and modernized existing facilities for millions more. The measure requires strict taxpayer accountability so funds are spent as promised with local control.

### **More Information**

[www.californiansforqualityschools2024.com](http://www.californiansforqualityschools2024.com)

## Proposition 3



### **Constitutional Right to Marriage. Legislative Constitutional Amendment.**

Amends California Constitution to recognize fundamental right to marry, regardless of sex or race. Removes language in California Constitution stating that marriage is only between a man and a woman.

**Placed on Ballot by:** Legislature: ACA 5 (Low; D-Silicon Valley), Resolution Chapter 125, Statutes of 2023.

**CalChamber Position:** Support

### **Arguments For**

Fostering an inclusive environment within California companies is good for California. Research demonstrates that diversity and legislation banning discrim-

ination against members of the LGBTQ+ community have positive economic impacts on business: companies in the top quartile of ethnic and cultural diversity measures outperform those in the fourth quartile. Ensuring support and equal protection for members of the LGBTQ+ community is important for employee well-being and fostering inclusive workplaces. Further, a ban on same-sex marriage could hurt business growth and tourism in California. Recent anti-LGBTQ legislation in other states has given companies pause about whether to conduct business within those regions and decreased willingness to host events or conventions.

### **More Information**

[YesonProp3CA.com](http://YesonProp3CA.com)

## Proposition 4

**NEUTRAL**

### **Authorizes Bonds for Safe Drinking Water, Wildfire Prevention, and Protecting Communities and Natural Lands from Climate Risks. Legislative Statute.**

Authorizes \$10 billion in general obligation bonds for water, wildfire prevention, and protection of communities and lands. Requires annual audits.

**Placed on Ballot by:** Legislature: SB 867 (Allen; D-Santa Monica), Chapter 83, Statutes of 2024.

**CalChamber Position:** Neutral

### **Ballot Arguments For**

Proposition 4 makes urgent, common-sense investments to protect our communities, health, economy and natural resources. Nearly 1 million Californians lack access to drinking water that meets safety and reliability standards, according to the State Water Board. Proposition 4 will clean up and protect California's drinking water supplies in all regions of California — remove toxic pollutants from our drinking water, addressing infrastructure risks like weakened dams and levees, and increasing supplies. Recent California wildfires have burned 2 million acres, released toxic smoke into our air and polluted drinking water supplies. Proposition 4 invests in projects to prevent wildfires, reduce their intensity when they do occur, and improve disaster response. Giving firefighters the tools to prevent wildfires is the best, most cost-effective way to prevent the human and financial costs of these disasters. Proposition 4 makes the right investments to save lives and billions in response and recovery costs.

### **More Information**

<https://yesonprop4ca.com/>

### **Ballot Arguments Against**

Bonds are the most expensive way for government to pay for things. Proposition 4 would add \$10 billion of debt to the taxpayers — plus an estimated \$9.3 billion in interest — to pay for climate-related programs. This funding would also cover administrative costs and salaries for grant recipients. But remember, this is borrowed money. At the start of the year, California already had more than \$78 billion of bond debt. Proposition 1 in March added another \$6.38 billion. Now there's a proposal to add an additional \$10 billion for ambiguous climate programs. Bonds should be reserved for financing essential projects that will build infrastructure lasting beyond the 30-year payoff period. Many elements of Proposition 4 fail to meet that standard. It is full of money being funneled to unproven technologies that may sound promising on paper but have no concrete evidence of success. By committing funds to speculative projects, Proposition 4 overlooks long-term water storage and critical wildfire fuel management programs in favor of short-term, unproven projects.

### **More Information**

[www.hjta.org/hjta-ballot-measure-recommendations](http://www.hjta.org/hjta-ballot-measure-recommendations)

## Proposition 5



### **Allows Local Bonds for Affordable Housing and Public Infrastructure with 55% Voter Approval. Legislative Constitutional Amendment.**

Allows approval of local infrastructure and housing bonds for low-and middle-income Californians with 55% vote. Accountability requirements.

**Placed on Ballot by:** Legislature: ACA 1 (Aguiar-Curry; D-Winters), Resolution Chapter 173, Statutes of 2023; and ACA 10 (Aguiar-Curry; D-Winters), Resolution Chapter 134, Statutes of 2024.

**CalChamber Position:** Oppose

#### **Arguments Against**

Proposition 5 proposes to make it easier for local governments to approve general obligation bonds, increasing property taxes on working class Californians. Local general obligation bonds are repaid through taxes on the assessed value of property, and in some areas of California, local add-on taxes and bond repayments already add thousands of dollars in taxes on top of residents' annual ad valorem property tax. As of April 2024, the median cost for a single-family home in California was \$904,210, according to the California Association of Realtors. For a median-priced home, the base 1% property tax alone costs \$753 per month in the first year and increases up to 2% annually. Paving the way for higher housing costs on top of existing taxes will only make the prospect of homeownership further out of reach for the average Californian.

Proposition 5 will directly increase operating costs for small and medium-sized businesses, whether they own or rent their property. Most commercial leases include provisions to increase rent when higher property-related expenses are incurred. Higher property taxes associated with the approval of new general obligation bonds will increase the expenses of small businesses, discouraging entrepreneurs from establishing operations in the state and resulting in fewer employment opportunities for Californians.

The two-thirds vote threshold for approving general obligation bonds has been in place since voters approved the California Constitution in 1879. More than four decades ago, prompted by years of rising taxes, Californians resoundingly approved Proposition 13 to limit ad valorem taxes on property to 1% of the property's assessed value. Proposition 5 would reduce the vote threshold to approve general obligation bonds and allow taxes used to repay bond debt to exceed the constitutionally established 1% limit, diminishing the people's voice on tax increases and eroding critical property tax safeguards. Polls have consistently shown that Proposition 13 continues to have a 2-to-1 margin of support from Californians across nearly every major demographic.

**More Information**  
[VoteNoProp5.com](https://www.calchamber.com/voteno-prop5)



## Proposition 6

### NO POSITION

#### **Eliminates Constitutional Provision Allowing Involuntary Servitude for Incarcerated Persons. Legislative Constitutional Amendment.**

Amends the California Constitution to remove current provision that allows jails and prisons to impose involuntary servitude to punish crime (i.e., forcing incarcerated persons to work).

**Placed on Ballot by:** Legislature: ACA 8 (Wilson; D-Suisun City), Resolution Chapter 133, Statutes of 2024.

**CalChamber Position:** No Position (CalChamber Board did not consider this proposal.)

#### **Ballot Arguments For**

Proposition 6 eliminates all forms of slavery and involuntary servitude within California, ensuring no person is subjected to such conditions regardless of

their confinement circumstances. The measure restores human dignity by ending forced labor, which constitutes slavery and violates human rights. Proposition 6 enhances public safety by prioritizing rehabilitation. The measure expands voluntary prison work programs and ensures dignity, choice, and rehabilitation. Incarcerated individuals will voluntarily take part in education, job training, and other programs that help prevent crimes against Californians. Voluntary work programs reduce recidivism by offering skill development and rehabilitation, aiding formerly incarcerated individuals in reintegrating into society.

#### **More Information**

[antirecidivism.org](http://antirecidivism.org)

#### **Ballot Arguments Against**

No argument was submitted against Proposition 6.

## Proposition 32



#### **Raises Minimum Wage. Initiative Statute.**

Raises minimum wage as follows: For employers with 26 or more employees, to \$17 immediately, \$18 on January 1, 2025. For employers with 25 or fewer employees, to \$17 on January 1, 2025, \$18 on January 1, 2026.

**Placed on Ballot by:** Petition signatures.

**CalChamber Position:** Oppose. CalChamber President and CEO Jennifer Barrera co-signed the ballot argument against Proposition 32.

#### **Arguments Against**

If Proposition 32 passes, Californians will see higher costs, fewer jobs and a reduction of available work hours for employees in the state. 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. 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. 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 affecting those with limited training or who are new to the workforce.

Important to employers, the measure will lead to an increase in payroll expenses because employers 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.

#### **More Information**

[StopProp32.com](http://StopProp32.com)

## Proposition 33



**Expands Local Governments’ Authority to Enact Rent Control on Residential Property. Initiative Statute.**

Repeals Costa-Hawkins Rental Housing Act of 1995, which currently prohibits local ordinances limiting initial residential rental rates for new tenants or rent increases for existing tenants in certain residential properties.

**Placed on Ballot by:** Petition signatures.

**CalChamber Position:** Oppose.

**Arguments Against**

The ballot measure is unnecessary in the wake of legislation passed in 2019 to cap annual rent increases at 5% plus inflation for tenants (AB 1482; Chiu; D-San Francisco, Chapter 597, Statutes of 2019). AB 1482 requires a landlord to have a just cause, as defined in the law, to evict tenants that had occupied the rental for at least one year. The bill included exemptions for housing built in the past 15 years and some single-family homes and duplexes. AB 1482 was designed to sunset after 10 years.

Restrictive price ceilings reduce the supply of property. When prices are capped, people have less incentive to fix up and rent out their basement flat, or to build rental property. Moreover, reducing vacancy de-control forces landlords to raise rent by the maximum allowable amount.

Rent control will do nothing to increase the supply of affordable housing and likely would discourage new construction, according to a 2016 report from the Legislative Analyst’s Office on California housing. In fact, rent control measures accelerate attrition of the existing stock of rental units in the California marketplace. Studies have shown that local jurisdictions with stringent rent control have lost large numbers of rental units in their markets. Many owners simply convert their housing to another use, including owner-occupied units, vacation rentals, Airbnb, or keep their units off the market altogether.

**More Information**  
[NoOnProp33.com](http://NoOnProp33.com)

## Proposition 34



**Restricts Spending of Prescription Drug Revenues by Certain Health Care Providers. Initiative Statute.**

Requires certain providers to spend 98% of revenues from federal discount prescription drug program on direct patient care. Authorizes statewide negotiation of Medi-Cal drug prices.

**Placed on Ballot by:** Petition signatures.

**CalChamber Position:** Support

**Arguments For**

Proposition 34 will make permanent the Medi-Cal Rx program, which since being established statewide in 2019 has achieved significant cost savings by providing Medi-Cal patients with standardized, low-cost pharmacy benefits. The measure will prevent the worst abusers of the federal drug discount

program from misusing money intended to help patients by requiring that at least 98% of revenue be spent on direct patient care. This provision will result in tens of millions of dollars being redirected toward direct patient care for the neediest Californians.

Proposition 34 prohibits these worst offenders from continuing to participate in prescription drug price-gouging schemes that result in big markups of drug prices. Violators that fail to comply with these accountability requirements will lose their state-provided privileges and benefits, including any pharmacy, health care and clinic licenses, and their exemption from state taxation. Violators also will be ineligible for state and local government grants and contracts.

**More Information**  
[YesOnProp34.com](http://YesOnProp34.com)

## Proposition 35

**NEUTRAL**

**Provides Permanent Funding for Medi-Cal Health Care Services. Initiative Statute.**

Makes permanent the existing tax on managed health care insurance plans, which, if approved by the federal government, provides revenues to pay for Medi-Cal health care services.

**Placed on Ballot by:** Petition signatures.

**CalChamber Position:** Neutral

**Ballot Arguments For**

More than 15 million Californians rely on Medi-Cal for health insurance coverage, including more than 50% of all children in the state and low-income families, seniors and persons with disabilities. Lack of adequate and ongoing funding means Medi-Cal patients must wait months to see

primary care doctors or specialists. Proposition 35 provides dedicated funding to improve the health care system for all without raising taxes on individuals. The measure will provide funding to protect and expand access to care at primary care and specialty care physicians, community health clinics, hospitals, emergency rooms, family planning and mental health providers. Proposition 35 extends an existing levy on health insurance companies that otherwise will expire in 2026. The measure also prevents the state from redirecting the funds for non-health care purposes.

**More Information**  
[VoteYes35.com](http://VoteYes35.com)

**Ballot Arguments Against**

No argument was submitted against Proposition 35.

## Proposition 36



**Allows Felony Charges and Increases Sentences for Certain Drug and Theft Crimes. Initiative Statute.**

Allows felony charges for possessing certain drugs and for thefts under \$950, if defendant has two prior drug or theft convictions.

**Place on Ballot by:** Petition signatures.

**CalChamber Position:** Support

**Arguments For**

Retail theft has been increasing and continuing to harm California businesses and residents. Increasing penalties for these offenses will hold criminals accountable and deter future offenses. Low penalties create little incentive to

report, prosecute and punish offenders, meaning that criminals are released back into communities. Heightened penalties will break that cycle.

Fentanyl is now responsible for 20% of youth deaths in California. Defining fentanyl as a hard drug will hold drug dealers accountable and gives judges tools to impose harsher penalties for drug trafficking offenses.

Breaking the cycle of retail theft also requires addressing the causes of theft. Proposition 36 provides mental health and drug treatment services, plus job training for individuals struggling with homelessness, substance abuse or mental illness.

**More Information**  
[VoteYesProp36.com](http://VoteYesProp36.com)

## CalChamber Positions on November 2024 Ballot Measures

<b>Proposition</b>	<b>Subject</b>	<b>Position</b>
Proposition 2	K-12 public schools, community college bond	Support
Proposition 3	Constitutional right to marriage	Support
Proposition 4	Safe drinking water, wildfire prevention bond	Neutral
Proposition 5	55% voter approval for local infrastructure/housing bonds	Oppose
Proposition 6	Eliminates constitutional provision allowing involuntary servitude for imprisoned persons	No Position
Proposition 32	Minimum wage increase	Oppose
Proposition 33	Rent control	Oppose
Proposition 34	Restrict spending of prescription drug revenues	Support
Proposition 35	Permanent funding for Medi-Cal health care services	Neutral
Proposition 36	Increases penalties for drug and theft crimes	Support



## Longtime Strategist Explains Recent Evolution of Ballot Initiative Process



**Jim DeBoo, founder of DeBoo Strategic Affairs, describes for the CalChamber Board of Directors on September 13 how the process of getting a proposal placed on the ballot has evolved since the enactment 10 years ago of legislation permitting proponents to withdraw their proposal before the deadline for the Secretary of State to put the measure on the ballot. The ability to call back ballot measures, he says, gives proponents of a policy the leverage to negotiate a deal to achieve policy objectives that otherwise wouldn't have happened. Among the examples he cited was the CalChamber-led drive to reform the Private Attorneys General Act (PAGA).**

## Australia Consul General Highlights Strong California Links

*From Page 4*

agenda, a part of the Australian budget, aims to put in place incentives to increase private sector investments and help build a stronger, more diverse and resilient economy, maximizing the economic and industrial benefits of the move to net-zero emissions.

For U.S. businesses, Bennett said, the Australian agenda will provide a new front door to international projects to make it simpler to invest in Australia. Worth noting, she said is that Australia is a leading clean and ethical producer of critical minerals — lithium, cobalt and rare earths.

Another recent development she highlighted is that to support bilateral trade in critical minerals, there is a single point of entry for companies to approach two entities providing finance help — the Export-Import Bank of the United States and [Export Finance Australia](#).

### Australia-California

Because Australia and California share a commitment to climate change and the transition to using cleaner fuels, the MOU is an “active concrete work program” that brings together researchers, industry and community representatives, Bennett said. Among the 10 projects already begun are efforts focusing on electric vehicles, low-carbon fuels, hydrogen, offshore wind, energy efficiencies, research on minerals and artificial intelligence (AI), and sustainable cities.

She said Australia is learning from California’s experience on zero-emission vehicles, including developing standards and public infrastructure requirements, which are helping Australian policy and industry; and the state’s low carbon fuel standard is helping as Australia works on sustainable aviation fuel.

Similarly, Australian energy efficiency

standards are helping California work on upfront carbon emissions and reduction methods.

A new, practical partnership between Australia and California brings together national science agencies for a water monitoring system for the Sacramento Delta. Using data from water sensors, the project will enable watchers to forecast the health of waterways.

An area for further collaboration, she reported, is developing hydrogen policy, including certification and verification of low-carbon products. Australia has a leading hydrogen certification scheme, known as the “guarantee of origin,” she said. The scheme is expandable and scalable and provides a way to measure and verify the intensity of hydrogen production in low-carbon products, providing transparency for buyers and sellers.

**Staff Contact: [Susanne T. Stirling](#)**

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## LeadingAge California and Members Equip State for an Aging Population

From Page 6

Eskaton Academy, launched in June 2023, is retooling workforce development through its innovative training models. The program combines in-person and virtual learning to cater to diverse learning styles.

The Academy's curriculum integrates visual, auditory, kinesthetic and tactile modalities, providing a comprehensive education that spans both hard and soft skills. This includes critical competencies such as problem solving, communication, empathy, and practical knowledge about supporting older adults.

The training aligns with state-mandated requirements but is designed to foster deeper understanding and active participation among staffers. The impact of Eskaton Academy is evident in several key metrics:

- Elevated quality of care;
- Enhanced staff engagement;
- Improved retention and reduction in turnover rates, nearly doubling the likelihood of remaining with Eskaton (compared to those that did not participate in Academy);
- 96% recommendation rate from participants.

Equally as important to developing a robust workforce is focusing on the other

half of the puzzle, retention. Retaining top talent is a common concern across industries, and empowering current team members is a proven solution.



### Institute on Aging

#### *Investing in Comprehensive Care and Compassionate Support*

As both private and public sectors address workforce concerns, continued investments in equipping workforce development are critical improvements to quality of care. [The Institute on Aging \(IOA\)](#), employing nearly 1,000 people, enhances the quality of life for aging adults and adults with disabilities through diverse programs and services.

A cornerstone of IOA's outreach is the Friendship Line, a toll-free "warm line" in existence for 51 years, handling more than 150,000 calls annually. It provides a vital connection for lonely or isolated adults, mitigating the negative mental and physical health impacts of loneliness,

as described by [U.S. Surgeon General Vivek Murthy](#) in his 2023 advisory on the healing effects of social connection and community.

As a California Advancing and Innovating Medi-Cal (CalAIM) provider, IOA offers enhanced care management and care supports, improving the quality of care for low-income individuals and families by addressing social determinants of health and providing a more integrated health care for Medi-Cal beneficiaries.

### **Concerted Public-Private Effort Making California Stronger and Better Equipped to Meet the Needs of Older Adults**

Meeting the diverse needs of California's growing older-adult population requires a concerted effort across industries and within both public and private sectors to ensure access to high-quality health care through a strong workforce.

LeadingAge California and its members continue to drive positive change in the older-adult care landscape, ensuring California can deliver the compassionate care and supportive services that older adults need, all while driving high employment for Californians and strengthening the private sector.



### Supervisor Essentials: Workplace Compliance Seminar

**\$249**

 Live Webinar - September 26, 2024

 9:00 AM - 12:30 PM PT