

# ALERT

## Governor’s Budget Proposal: \$322 Billion with No Deficit



Last week, Governor Gavin Newsom presented a balanced \$322.3

billion budget without a deficit.

His fiscal plan provides for \$228.9 billion in general fund spending and nearly \$17 billion in combined reserves — including nearly \$11 billion in the state’s Rainy Day Fund and an additional discretionary set-aside of \$4.5 billion in the Special Fund for Economic Uncertainties.

California Chamber of Commerce President and CEO Jennifer Barrera commended the Governor’s commitment to improving the state’s economy and protecting its competitiveness.

“We appreciate the Governor continuing to hold the line on new taxes and his support of larger film tax credits and CalCompetes grants that will benefit California’s small business employers,” Barrera said. “We encourage the Governor to consider reinstating the Research and Development tax credit which will invite innovation and spur much-needed investment in our economy. Investment

*See Governor’s: Page 6*

## CalChamber Members Step Up to Help Los Angeles Wildfire Victims



Not long after the Los Angeles firestorms blew across the county, leaving

behind smoking ruins, California Chamber of Commerce member companies were among the many entities that stepped forward to offer assistance to the wildfire victims.

Following is a sampling of how CalChamber members are helping.

- [Airbnb](#) is providing free, temporary housing for people who have been displaced by the Los Angeles wildfires, in partnership with [@211LACounty](#). It also is [supporting hosts](#) to offer free stays to people in times of crisis.

- [East West Bank Foundation](#) granted \$250,000 to the Pasadena Community Foundation’s Eaton Fire Relief and Recovery Fund, dedicated to helping Pasadena area community members most affected by the Eaton Fire and supporting nonprofits providing critical disaster-related services.

- The [Home Depot Foundation](#) committed \$1 million to support wildfire relief in Southern California, to include both immediate humanitarian and disaster relief efforts and long-term recovery and future mitigation.

- [In-N-Out Burger](#) offers compli-

*See CalChamber Members: Page 8*

## Canada-California Energy Collaboration Carbon Innovations in Spotlight at Luncheon



(From left) CalChamber President and CEO Jennifer Barrera, Alberta Minister of Environment and Protected Areas Rebecca Schulz and California Senator Anna Caballero discuss carbon removal and hydrogen innovation efforts in Canada and California at a January 14 CalChamber luncheon co-hosted by the Canadian Consul General. See story on [Page 5](#).

### Inside

[Wildfires: Key Employer Responsibilities: Page 3](#)

## Labor Law Corner

# Law Now Requires Written Contract for Independent Contractors



**Vanessa M. Greene**  
Employment Law  
Subject Matter Expert

*Do I need a written contract if I have an independent contractor working for me?*

In California, the relationship between businesses and independent contractors is subject to strict legal standards. As of January 1, 2025, having a written contract with certain types of [independent contractors](#) is required by law.

### Legal Framework: The ABC Test

As a reminder, calling someone an “independent contractor,” even if the

worker prefers to be one, does not make them an independent contractor in the legal sense.

California applies the “ABC Test” to determine if a worker is truly an independent contractor. Under this test, a worker is presumed to be an employee unless the hiring entity can demonstrate all three of the following:

A. The worker is free from control and direction of the hiring entity in connection with the performance of the work;

B. The worker performs work that is outside the usual course of the hiring entity’s business; and

C. The worker is customarily engaged in an independently established trade, occupation or business of the same nature as the work performed.

If the worker does not meet all three criteria, the worker must be classified as an employee, which carries additional business responsibilities for wages, benefits, and taxes.

Businesses also should note that California law contains more than 100 distinct [exceptions to the ABC test](#), varying in their specificity and complexity.

### Freelance Worker Protection Act

Effective January 1, 2025, the Freelance Worker Protection Act (FWPA) establishes specific requirements for businesses utilizing freelance workers who provide “professional services” as defined in Labor Code Section 2778. The Act applies to agreements for services valued at \$250 or more, covering roles like freelance writers,

content contributors, and other professionals identified in the Labor Code.

Contracts falling under the FWPA must be in writing and include key details, such as the names and addresses of the parties, an itemized list of services, their value, compensation method, and payment information, including due dates.

Payment must be made on the date specified in the contract or no later than 30 days after the completion of services.

Once a freelance worker begins providing services, the hiring entity cannot demand additional work or reduced compensation as a condition for timely payment.

In addition, the law prohibits discrimination or retaliation against individuals exercising their rights under the FWPA.

### The Bottom Line

Although a written contract may not always be legally required, it is a best practice for any business working with freelance workers in California. Not only does the written contract help clarify the relationship, but it also protects your business from potential legal pitfalls, particularly under the ABC Test and the new Freelance Worker Protection Act.

*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](http://www.hrcalifornia.com).*

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## CalChamber-Sponsored Seminars/Trade Shows

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

### Human Resources

2025 Employment Law Updates. CalChamber. January 30, Online. (800) 331-8877.

Employee Handbooks and Policies.

CalChamber. February 20, Online. (800) 331-8877.

### International Trade

Canada’s New Assessment and Revenue Management (CARM) Initiative.

National Association of District Export Councils. January 29, Online.

TIMTOS Show — A Global Leading Smart Manufacturing & Machine Tool Expo. Taiwan External Trade Development Council and Taiwan

Association of Machinery Industry. March 3–8, Taipei City, Taiwan. (415) 362-7680 #500.

2025 Sports and Fitness Taiwan (TaiSPO) Exhibition. Taiwan External Trade Development Council. March 26–29, Taipei City, Taiwan.

Exim 2025 Annual Conference.

Export-Import Bank of the United States. April 29–30, Washington, D.C. In-person only. [Registration now open.](#)

**Next Alert: January 31**

## The Workplace

# Wildfires: Key Employer Responsibilities for Worker Health, Pay



In **Episode 212** of The Workplace podcast, CalChamber Labor and Employment General Counsel Bianca Saad and CalChamber

Associate General Counsel Matthew Roberts discuss the wildfire-related regulations and best practices employers should know.

The Los Angeles region is currently dealing with one of the most destructive wildfire disasters in California's history. As wildfires continue to affect communities across the state, employers should stay informed about regulations and best practices to protect workers during these emergencies.

### Air Quality Regulation

Employers whose workplaces may be affected by air quality, such as wildfire smoke, should be aware of California's outdoor smoke regulations, Saad says.

The regulations exclude workers who work in a completely enclosed building or vehicle with mechanical ventilation, and windows and doors that are kept shut, except to enter and exit that building/vehicle.

Also excluded are workers exposed to wildfire smoke for a cumulative period of time that's shorter than one hour during their shift, of if the worker is a firefighter who is fighting the wildfire.

Outside of these exemptions, Saad explains, the regulation is broad enough to cover work sites that may feel like they are indoors, but because the doors are consistently open, such as retail establishments, many are still going to be covered.

Employers covered by this regulation must monitor the Air Quality Index (AQI). If the AQI for particulate matter (PM 2.5) rises to 151 or above, employers must take engineering and administrative steps to reduce exposure. This may include moving workers indoors to filtered buildings or relocating them to areas with better air quality. Employers may also offer respirators, such as N95 masks, for voluntary use.

For PM 2.5 levels above 500, the use of respirators like N95 masks becomes mandatory, with employers responsible

for ensuring proper fit and worker health. Employers can access air quality information through the [Environment Protection Agency's \(EPA\) AirNow tool](#), which provides real-time data on regional air quality conditions, Roberts says.

A key point to keep in mind is that this air quality regulation is permanent, not just an emergency measure, and is crucial as California faces frequent wildfire seasons, Roberts says.

### Wage and Hour Considerations

Wage laws are another critical issue during wildfire events.

#### Non-Exempt Employees

Non-exempt employees are paid only for the hours actually worked, Saad explains. If work is not available for these employees, then an employer generally does not have to pay them. California's reporting time pay rule states that if an employer fails to put them to work on an already-scheduled shift, or they're given less than half the hours for which they were scheduled, the employer needs to pay half their shift, which can be up to four hours total paid at their regular rate of compensation.

There are, however, exceptions to this rule, including if the reason that no work is available pertains to acts of God, such as wildfires or recommendations from a civil authority to cease operations. In these situations, the reporting time pay rule doesn't apply, Saad says.

California doesn't have a statewide predictable scheduling law, giving employers the ability to eliminate shifts or modify future schedules at will without any specific amount of notice. There are some industry-specific predictive scheduling ordinances, including within the Los Angeles city limits. These ordinances, however, don't apply when operations are affected under circumstances such as these.

#### Exempt Employees

If exempt employees perform any work in a workweek and they're ready, willing and able to perform that work throughout the week, they will be paid their entire salary, even if the reason they are not being put to work for the entire week is due to an employer's closing operations due to the wildfires, Saad explains.

If operations remain shut for an entire workweek and that exempt employee performs absolutely no work during that

week, even if they are ready, willing and able, then, in that situation, an employer can deduct that week's salary.

Exempt and non-exempt employees who experience lost wages due to wildfires may file claims with the California Employment Development Department (EDD) for unemployment benefits, which are available without the usual waiting period during emergencies.

### Paid Time Off, Emergency Leave

Rules regarding vacation banks are based on what an employer's policies and practices are. Importantly, employers should ensure that policies are enforced uniformly.

"In other words, if we are going to deny vacation use for wildfires to one employee, then we should be doing so across the board for any employees under similar circumstances," Saad stresses.

Paid sick leave is strictly governed by California law and there are strict requirements. On January 1, 2025, a new law went into effect that expressly allows agricultural workers to use their paid sick leave bank when their work sites are closed during emergency proclamations related to wildfires, heat or flooding.

Beyond that, paid sick leave also allows use for any circumstance where the employee is taking the time off to prevent an injury or illness for themselves or for a qualifying family member, as well as to treat and recover from an existing injury or illness.

Wildfire conditions can lead to or exacerbate medical conditions, which means paid sick leave usage could be appropriate during closures to protect the health of the employee or a qualifying family member.

Lastly, Saad points out that some schools and licensed daycare centers may close during wildfire conditions. So, if an employee has a child in a school or a daycare that has closed unexpectedly, that employee may utilize up to 40 hours of job-protected school activities leave. This leave is unpaid and is available if the employee works at a worksite with 25 or more employees.

### Communication, Required Notices

While there is no general notice that is required in these circumstances to

*See Wildfires: Page 8*

# CalChamber Backs Bay-Delta Plan Update that Prevents Reduced Water Supplies

The California Chamber of Commerce and a diverse coalition of organizations highlighted the far-reaching economic impacts of proposed changes to water management within the San Francisco Bay/Sacramento-San Joaquin Delta (Bay-Delta) system in a comment letter submitted to the State Water Resources Control Board (State Water Board) on January 10.

To avoid a substantial reduction in water supplies for much of California, the [coalition asked the State Water Board](#) to support a holistic approach, proposed by federal, state, and local water agencies, that would balance the diverse needs of urban and agricultural uses and the environment.

## Competing Alternatives

The State Water Board is responsible for adopting and updating the Water Quality Control Plan for the Bay-Delta, which establishes water quality measures and flow requirements needed to provide reasonable protection for environmental and consumptive water uses throughout the watershed.

Currently, the State Water Board is nearing the final stages of completing an update to the Water Quality Control Plan, a process that began in 2008 and that will have a significant impact on water availability for much of the state. The update currently before the State Water Board involves the Sacramento basin and its tributaries, including the Feather River, Yuba River, American River, and the Mokelumne River.

Before the State Water Board are two competing alternatives.

- One approach, proposed by State Water Board staff and referred to as the “regulatory pathway,” would mandate that 55% of flows within the Sacramento Valley watershed be unimpaired, or, in other words, dedicated as environmental flows and not available for storage or diversion.

- Another possible pathway is the

Agreements to Support Healthy Rivers and Landscapes (HRL program) — formerly referred to as the Voluntary Agreements — that reflect a suite of commitments among state, federal, and public water agencies. The HRL program, developed with the leadership of Governor Gavin Newsom and his administration, would use both flow and non-flow measures that help support native species and the environment and create a gover-



Photo by Paul Hames/California Department of Water Resources

nance structure that oversees implementation and assists in decision-making.

## Harm to Economy, Food Supply

The coalition, which includes water agencies, agriculture, housing developers, and more, detailed the substantial consequences that the unimpaired flows approach would have on California’s economy. The reduced water supply from the unimpaired flows approach raises questions about whether the state could continue to meet its water demands, particularly given the worsening challenges to water supply reliability that climate change is likely to present. Key sectors of California’s economy depend heavily on a consistent access to water.

California, as the leading state in the value of sales from agricultural production, is critical to supporting a global food supply chain. Most of the agricultural water use in California is within the Sacramento-Delta watershed and the

San Joaquin Valley regions. Reduced groundwater pumping under the Sustainable Groundwater Management Act (SGMA) is imposing significant stress on the agricultural sector. The combined costs of SGMA and the unimpaired flows approach would ravage the San Joaquin Valley economy and agriculture in other regions of the state.

## Housing, Cost Impacts

The unimpaired flows approach would also worsen California’s housing crisis. New housing development requires assurances that local water suppliers would have the supplies necessary to service new connections. Much of the affordable housing regions in California relies on Delta water supplies. Reduced water supplies from the Bay-Delta would make it more difficult for water purveyors to meet demand from additional housing developments.

The unimpaired flows approach would also make it more difficult for water agencies to maintain affordable rates. Reduced water supplies would increase costs of water delivered from the Bay-Delta. Agencies would be required to invest in more expensive alternative supply projects, such as recycling, water transfers, and desalination, where appropriate, to offset reduced surface water deliveries. The high costs of these projects, in combination with potential increased operational costs, would lead to direct economic impact and higher rates for customers.

## Coalition Request

The [coalition asked](#) the State Water Board to incorporate the HRL program into its update of the Bay-Delta Plan. The HRL program goes beyond simply adding flow to streams and, instead, addresses the underlying ecosystem functions needed to restore fish populations.

One of the critical aspects of the HRL  
*See CalChamber Backs Bay-Delta: Page 9*

# California, Canada Leaders Discuss Future of Energy Innovation at CalChamber Lunch



This week, the California Chamber of Commerce and the Consulate General of Canada in San

Francisco hosted a talk on the ways Canada and California are shaping the future of carbon removal and hydrogen innovation.

The panel was moderated by CalChamber President and CEO Jennifer Barrera and featured Alberta Minister of Environment and Protected Areas Rebecca Schulz and California Senator Anna Caballero. Consul General Rana Sarkar provided introductory remarks at the start of the event.

In attendance were nearly 90 business and government leaders, including California Senator Roger Niello; California Assemblymembers Mike Fong and Gregg Hart; CalChamber Board Members Jennifer Haley, president and CEO of Kern Energy, and Christopher Holben, president of Runyon Saltzman, Inc.; Alberta Senior Representative to the U.S. James Rajotte; and Chief of Staff to the Alberta Minister of Environment and Protected Areas Christopher Thresher.

## Consul General Rana Sarkar

Consul General Rana Sarkar began his remarks by expressing heartfelt condolences for those affected by the devastating wildfires in Southern California, emphasizing Canada's solidarity with the region. He shared that Canadian Prime Minister Justin Trudeau had spoken with California Governor Gavin Newsom to offer assistance, with Canada already coordinating resources to help.

The Consul General highlighted the longstanding collaboration between Canada and California, particularly in firefighting efforts. He noted that the province of Quebec has a 40-year history of providing water bombers (super-scooper aircraft) to assist in wildfire fighting, and other provinces like British Columbia and Alberta have also contributed

aircraft and firefighters. More than 60 firefighters, along with specialized staff and equipment, were deployed to support the response.

Turning to the broader context of energy collaboration, Sarkar underscored the importance of the partnership between Canada and California, particularly in energy innovation, carbon removal, and hydrogen energy. He expressed gratitude to the CalChamber for its ongoing support in fostering business relationships between Canada



Consul General Rana Sarkar

and California, highlighting that trade between the two regions exceeds \$53 billion annually, supporting more than 64,000 jobs. Sarkar also emphasized Canada's significant role as a market for California's agricultural products, particularly nuts, fruits, and vegetables.

In his remarks, Sarkar briefly addressed the current dynamics of the Canada-U.S. relationship, describing it as a "lively" time due to ongoing discussions on issues such as border security and tariffs.

He affirmed that Canada is committed to ensuring a secure and efficient border, noting the Canadian government's investment of \$1.3 billion in border improvements. He also cautioned against the potential economic impact of proposed tariffs, stressing that such measures would raise costs and hinder growth.

Sarkar concluded by stressing the need for deeper cooperation between Canada and the U.S. to meet the chal-

lenges of the coming decades, particularly in the areas of energy and climate change. He expressed enthusiasm about ongoing discussions and partnerships, particularly in the context of carbon capture, utilization, and storage (CCUS) and other environmental innovations.

## Carbon Capture, Hydrogen

### Canada's Progress

At the start of the panel discussion, Alberta Minister of Environment and Protected Areas Rebecca Schulz highlighted some of Alberta's environmental progress, describing the province as Canada's "energy capital."

Alberta's achievements include surpassing its methane emission reduction goal by 53% — three years ahead of schedule — through collaboration with industry rather than punitive measures. She also mentioned Alberta's success in reducing electricity emissions by 53%, cutting per-barrel oil and gas intensity by almost 25%, and advancing renewable energy investments, with over 80% of Canada's recent renewable

energy investments occurring in Alberta.

In addition to renewable energy, Schulz discussed Alberta's leadership in geothermal energy and its advancements in hydrogen production, which accounts for a quarter of the entire U.S. output. She also noted Alberta's significant achievements in carbon capture, having safely sequestered 14 million tons of CO<sub>2</sub> over the past decade. These efforts, according to Schulz, reflect Alberta's commitment to environmental stewardship while balancing the realities of energy affordability and reliability, especially during harsh winters when natural gas plays a crucial role in heating homes.

The Minister stressed the importance of addressing both environmental and affordability concerns by partnering with industry, citing Alberta's Tier Program, which incentivizes emissions reductions and reinvests funds into technological advancements like hydrogen vehicles,

*See California, Canada: Page 7*

## Governor's Budget Proposal: \$322 Billion with No Deficit

*From Page 1*

into wildfire recovery will be key to California recovering from this week's devastating events and we stand ready to partner with the administration to assist the region in any way possible."

Since the 2024 Budget Act was signed, the economy, stock market, and cash receipts have performed better than expected, resulting in an upgraded revenue forecast. Over three fiscal years, the state now projects \$16.5 billion in additional revenue above original expectations.

In a statement released on January 10, the Governor cautioned that due to the change in presidential leadership, pressure on state expenditures and the prospect of another downturn in financial markets, California should remain vigilant and prudent.

"We will continue to assess the state's ongoing fiscal position and include appropriate adjustments in the May Revision," the Governor said. "I look forward to working with new and returning members of the Legislature on a final 2025–26 budget that assures California a strong economic future well into the 21st century."

In its November 2024 report, the California Legislative Analyst's Office (LAO) projected a "roughly balanced" budget with a \$2 billion shortfall for 2025–2026.

### Budget Details

Governor Newsom's 2025–26 budget proposal includes:

#### **California Film and Television Tax Credit Expansion**

The fourth version of the California Film and Television Tax Credit program was established in 2023 and allocated \$330 million in tax credits per year to the film and television industry. The 2025–26 Budget proposes to increase the total annual tax credit award cap from \$330 million to \$750 million for the fiscal years 2025 through 2030.

#### **Climate Bond**

The budget allocates resources included in Proposition 4, the \$10 billion Climate Bond to fund water, climate, wildfire and natural resource projects, passed by voters in November 2024. Allocations include:

- **Dam Safety and Climate Resilience:** \$231.5 million to the Dam Safety and Climate Resilience Local Assistance Program for competitive grants for proj-

ects that support dam safety and reservoir operations, such as funding for repairs, rehabilitation, and enhancements.

- **Water Reuse and Recycling:**

\$153.4 million for water reuse and recycling projects that support treatment, storage, conveyance, or distribution facilities for potable and nonpotable use, dedicated infrastructure to serve retrofit projects, and multi-benefit projects that allow use of recycled water.

In addition to these investments, the budget proposes \$173.5 million to improve water storage, replenish groundwater, improve conditions in streams and rivers, and complete various water resilience projects and programs

Regarding agriculture-specific expenditures, the budget proposes certain climate smart agriculture-related investments from the Climate Bond in 2025–26. One example is the State Water Efficiency and Enhancement Program, which will be allocated \$37.6 million for improving irrigation systems on farms and ranches to save water and reduce emissions from pumping.

#### **Education**

Proposition 98 funding for K-14 schools is set at \$118.9 billion for 2025–26. The budget also reflects full implementation of universal transitional kindergarten, increased funding for universal school meals, and implementation grants that will be fully disbursed in 2025–26 to support the community school model to support improved educational outcomes at more than 2,000 public schools.

The budget includes a \$100 million one-time Proposition 98 General Fund for the California community colleges (CCCs) to expand Credit for Prior Learning and begin building the infrastructure for the state's first "Career Passport." The Career Passport system will allow students to create formal documentation of their marketable skills and abilities developed through work, classes, apprenticeships, internships or other experiences both inside and outside the classroom, with the intent of scaling the system in future years to be applicable at both the secondary and higher education levels.

The budget also allocates \$500 million in one-time funding for literacy and mathematics coaches in high-poverty schools.

#### **Housing**

Over the last six years, California

has allocated billions in state funding to address housing and homelessness, including \$5.8 billion for Homekey, \$2.2 billion to address mental health and substance abuse disorders and \$2.75 billion for affordable housing production. Despite these and other state investments, housing affordability and homelessness remain top issues facing the state.

The Newsom administration is proposing to establish a new California Housing and Homelessness Agency to create a more integrated and effective administrative framework for addressing the state's housing and homelessness challenges. The purpose of this new agency is to strengthen California's ability to plan, produce, and preserve housing while enhancing the state's homelessness response now and over the long term by aligning housing initiatives with complementary policy areas — such as transportation, health, climate, energy, and community planning. More details are to be provided in the spring through a Reorganization Plan submitted to the Little Hoover Commission.

#### **Public Safety**

The budget maintains an investment of approximately \$1.6 billion since 2022–23 — including \$283.6 million in 2025–26 — to support state and local public safety efforts. Funds to implement new laws to enhance enforcement, prosecution, and accountability are included in the proposal.

#### **Technology**

The budget proposes investments that support job creation and growth for California's economy. In November 2024, the U.S. Department of Commerce and Natcast, the nonprofit entity designated by Commerce to operate the National Semiconductor Technology Center (NSTC), announced Sunnyvale as the location for the Creating Helpful Incentives to Produce Semiconductors (CHIPS) for America Design and Collaboration Facility (DCF). Leveraging California's unmatched talent and world-leading research and education institutions, this facility is expected to drive more than \$1 billion in research funding and create more than 200 direct jobs over the next 10 years.

The DCF will be multi-functional, serving as a critical location for the operations and administrative functions of Natcast and the NSTC, including:

*See Governor's: Page 9*

## California, Canada Leaders Discuss Future of Energy Innovation Panel



CalChamber President and CEO Jennifer Barrera



Alberta Minister Rebecca Schulz



California Senator Anna Caballero

From Page 5

methane emissions reduction, small modular nuclear, and geothermal energy.

Schulz expressed optimism about the potential for further collaboration with California, recognizing alignment in energy goals and opportunities for mutual learning in technology, regulation, and policymaking. She concluded by underscoring the value of working together to meet both environmental and energy needs.

When asked by Barrera about Alberta's carbon pricing and emissions reduction strategy, Schulz explained that Alberta was the first jurisdiction to implement both a carbon emissions plan and a carbon price, using a levy based on benchmarks tailored to individual facilities, reflecting their specific industry and emissions profiles.

This flexibility is appreciated by businesses, she said, as they can either pay the obligation or use credits in the carbon market. The funds generated from this system are reinvested into technology and innovation, addressing taxpayer concerns about affordability.

Additionally, Alberta runs competitions through Emissions Reduction Alberta to fund projects in areas like

industrial emissions, hydrogen, and agricultural challenges, helping to de-risk investments and foster innovation.

### **California Efforts**

Senator Anna Caballero, who represents Salinas, spoke about California's cap-and-trade system and the Low Carbon Fuel Standard (LCFS), which are designed to reduce carbon emissions and encourage innovation.

While these programs have been successful in promoting clean energy solutions, they have also led some companies to leave California for states like Louisiana and Texas, where permits are easier to obtain and projects can move forward more quickly. She emphasized the need for California to streamline its permitting process to retain innovation within the state.

Caballero also highlighted the challenges facing her district in California's Central Valley due to climate change, which could lead to the loss of up to 1 million acres of agricultural land. She expressed concern about the impact on local communities, especially small, Latino farmworker towns that depend on agriculture for jobs.

While solar energy has been proposed as a solution, she pointed out that it does

not provide long-term economic benefits to the local community, as it does not create sustainable jobs and the energy generated does not benefit residents directly.

Instead, Caballero pointed to underground carbon storage and hydrogen production, which she believes could decarbonize hard-to-reduce sectors like aviation and trucking while creating jobs in the valley. She referenced a recent trip to Alberta, where she observed successful carbon capture initiatives, and expressed hope that California could learn from Alberta's progress and forge stronger partnerships to address climate change.

Senator Caballero and Minister Schulz both underscored the importance of clear communication about the benefits of these technologies to local communities, emphasizing job creation, environmental safety, and the need for broader regional and international cooperation.

The panel also discussed the potential for hydrogen and carbon capture projects to bring long-term economic and environmental benefits, especially in areas affected by the energy transition.

**Staff Contact: Susanne T. Stirling**

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## CalChamber Members Step Up to Help Los Angeles Wildfire Victims

From Page 1

mentary meals at some locations to fire-fighters in uniform in appreciation for their service.

- **DoorDash** waived its fees on orders placed in Los Angeles County and is donating \$1 for every order placed in the area to World Central Kitchen, up to \$1 million.

- **Lyft** activated its **Lyft Up Disaster Response** program to provide access to free and discounted rides to help those in the affected areas.

- **Uber** offered free rides up to \$40 for evacuees needing transportation to get to temporary shelters.

- **Google** teamed up with the **Hotel Association of Los Angeles** to provide real-time updates on hotel availability and accommodations at all levels to evacuees and others in need of assistance.

**YouTube and Google**, together with Google.org, Google's philanthropic arm, are contributing \$15 million to organizations that are providing immediate relief in Los Angeles.

- **The Walt Disney Company** has committed \$15 million to Los Angeles area fire relief and rebuilding efforts, supporting organizations providing essential services on the ground, including the American Red Cross, the Los Angeles Fire Department Foundation, and the Los Angeles Regional Food Bank.

### CalChamber Webpage

A **CalChamber webpage** lists resources useful for employers and local chambers who may need ready access to information important to running their operations during the Los Angeles wildfires.

The page includes state, federal and regional links on subjects such as:

- evacuation preparedness;
- fire alerts and notifications;
- FEMA wildfire assistance;
- U.S. Department of Labor requirements for paying workers and other protections during natural disasters and recovery;
- blog posts from the CalChamber and

Cal/OSHA about what employers need to know;

- wildfire maps
- CAL FIRE links and contacts;
- small business capital access programs;
- a website set up by the California Office of the Small Business Advocate through which **businesses can request aid**;
- manufacturers sales and use tax exclusion program;
- guides to safety during wildfires;
- state Treasurer's Office resources for fire victims;
- temporary housing;
- services for immigrant families;
- emergency animal shelters;
- how to donate (California Foundation for Commerce and Education link).

Individuals and businesses can go to this federal site to request disaster assistance: <https://www.disasterassistance.gov/>.

For more information and resources links, visit <https://www.calchamber.com/wildfires>.

## Wildfires: Key Employer Responsibilities for Worker Health, Pay

From Page 3

employees across the board, there are some specific communication requirements and practices that employers should be aware of, Saad says.

For example, employers covered by wildfire smoke rules need to communicate those rules to their employees when conditions warrant notification of changing administrative controls.

Another requirement is that employers

notify newly hired nonexempt employees of a state or a federal emergency proclamation in their county that may affect their health and safety through the required Labor Code Section 2810.5 Notice to Employee.

Lastly, Saad explains that even if a specific notice isn't required, employers should have open and prompt communications with employees to help ensure operations are remaining stable and to

facilitate communications when it's time to resume operations.

### Resources

The CalChamber has put together a free, public resource page with the latest information on resources that may be useful for businesses affected by the state's wildfires.

Visit [www.calchamber.com/wildfires](https://www.calchamber.com/wildfires) for more information.



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## Governor's Budget Proposal: \$322 Billion with No Deficit

From Page 6

- Conducting advanced research in chip design, electronic design automation, chip and system architecture, and hardware security;
- Hosting programmatic activities, including the NSTC Workforce Center of Excellence, Design Enablement Gateway, and a future Investment Fund; and
- Convening NSTC members and stakeholders from across the semiconductor ecosystem.

The budget proposes a \$25 million one-time General Fund allocation in 2025–26 to reimburse Natcast for capital expenditures to build the facility.

### **Wildfire, Forest Resilience**

The budget builds on \$2.5 billion in

wildfire and forest resilience activities in recent years by proposing an additional \$1.5 billion in spending over multiple years from the voter-approved Climate Bond. This \$4 billion in total funding will go toward projects to protect communities, keep wildfires from growing larger and more dangerous, and aid firefighters in combating wildfires.

In addition, the state is investing \$200 million annually through 2028–29 for healthy forest and fire prevention programs, including prescribed fire and other fuel reduction projects.

Investments since 2021 have supported more than 2,000 wildfire resilience and forest health projects that are completed or underway, including fuel

breaks around communities, prescribed fire projects, and landscape scale forest health projects.

### **Spending Cuts**

The budget proposal includes savings from the elimination of 6,500 vacant government positions, which result in taxpayer savings of \$1.2 billion over two years. The budget also includes operational efficiencies, including a reduction in state travel budgets, printing, and IT system modernization that result in \$3.5 billion in reduced taxpayer costs.

The full text of the Governor's Budget summary document is available at [www.ebudget.ca.gov](http://www.ebudget.ca.gov).

## CalChamber Backs Bay-Delta Plan Update that Prevents Reduced Water

From Page 4

program is the dedication of significant flows for the environment coupled with landscape-scale restoration. This approach, rather than using only flows, focuses on maintaining functions of a river that support ecosystem health, such as sediment movement, water quality, and timing flows based on species migration and reproduction.

These flows, coupled with suitable habitat, promote the benefits to fish and wildlife, which is why the HRL program includes major investments in habitat

restoration projects. Scientific study on the matter shows that a combination of habitat and flow provides substantial systemwide benefits.

The more reasonable flow measures in the HRL program would assist in ensuring that water users of all types can better predict water availability and plan accordingly. For example, developers can better model water availability to serve new housing developments. Also, agricultural businesses can better plan for the appropriate acreage to plant, and this increased certainty helps support related

businesses. Overall, this alternative minimizes negative impacts on the economy while achieving ecosystem benefits.

### **Next Steps**

State Water Board staff have said they expect the Board to decide which option it will adopt in the updated Bay-Delta plan in the summer or fall of this year. In the meantime, the State Water Board is holding a series of workshops to discuss both alternatives.

**Staff Contact: Kristopher Anderson**



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