

# ALERT

## Cost Cutter Energy Bill Clears First Committee



A bill **strongly supported** by the California Chamber of Commerce

as a **Cost Cutter** that will reduce energy costs for Californians won unanimous support this week from the first Senate policy committee to consider it.

**SB 540 (Becker; D-Menlo Park)** authorizes the California Independent System Operator (CAISO) and California utilities to integrate into a broader regional energy market governed by an independent regional organization.

Besides making electricity more affordable for California consumers, the bill will protect the state's procurement, environmental, reliability and other public interest policies, the broad coalition supporting the bill told the Senate Energy, Utilities and Communications Committee.

Coalition members in addition to the CalChamber include organized labor, consumer and environmental advocates, technology companies, clean energy developers, investor-owned and public power utilities.

Supporters emphasized to the committee that creating an independent organization responsible for energy market rules would enable more utilities across the West to participate in consolidated electricity markets. Integrating with neighboring markets would make electricity in California more affordable and reliable while also reducing emissions.

### Saves Costs

The coalition pointed out that an analysis prepared for the California Energy

Commission (CEC) this year determined that a West-wide, day-ahead market could produce nearly \$800 million in annual cost savings for California customers.

### Improves Electric Reliability

SB 540 would enhance the reliability of the California power grid by enabling more efficient and coordinated management of energy supply and demand across the Western region.

Having better access to shared resources will better equip grid operators to draw on a wider resource pool during peak demand periods, reduce the likelihood of blackouts and support the resilience of the grid in the face of growing challenges such as extreme weather events and climate-driven disruptions.

### Increases Use of Clean Energy

More clean energy will be available in California and around the West because the consolidated western energy market will enable energy producers to reduce the times when they must deliberately curtail production because they have nowhere to send and sell the power they produce.

Curtailed production is a growing problem for California solar and wind power generators. The CEC study determined the expanded market would reduce wind and solar curtailment by 10%.

Given that 80% of energy customers in the West are served by utilities with net-zero carbon energy mandates, the demand for clean energy resources will continue to grow, the coalition letter said. "Maximizing use of existing clean generation is the fastest, most affordable way to reduce emissions," the letter said.

SB 540 is set to be considered next by the Senate Judiciary Committee on April 29.  
**Staff Contact: Jon Kendrick**

## Bill Undermining PAGA Reform Passes Senate Committee



Legislation **opposed** by the California Chamber of Commerce and a large coalition as a

**Cost Driver** that undermines a painstaking negotiation by business and labor to reach a historic agreement to reform the Private Attorneys General Act (PAGA) passed the Senate Judiciary Committee this week.

**SB 310 (Wiener; D-San Francisco)** creates a new private right of action for wage and hour penalties that will be manipulated by trial attorneys, undermining the 2024 PAGA reform, which sought to reduce avenues for litigation abuse and overall costs on employers.

The bill gifts trial attorneys a new means of leveraging wage and hour cases against employers of every size for high settlements, the CalChamber-led coalition pointed out in a letter to committee members.

### Coalition Opposition

The coalition opposing SB 310 includes the California New Car Dealers Association, California Restaurant Association, California Retailers Association, Western Growers Association, plus numerous other employer groups and local chambers of commerce.

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**Common Mistakes to Avoid with Pregnancy Disability Leave: Page 3**

*Labor Law Corner***Lengthy Restroom Use? Reasonable Accommodation May Be Needed**

**Ashley Huynh**  
Employment Law  
Expert

*We have an employee who spends a considerable amount of time every day using the restroom. After she comes back from the restroom, she takes her 10-minute rest break. This is affecting production and her co-workers are complaining. We want to bring this to her attention but is this considered a disability or possibly a situation that needs reasonable accommodation?*

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**Managing Performance**

The considerable amount of time the employee is spending to use the restroom is taking her away from completing her work. You're concerned about the impact on production and employee morale as other employees are complaining.

If she isn't performing the essential functions of her job, you should address the performance issue. Come to your meeting prepared to discuss with her specific examples of performance problems, especially if they are measurable.

Depending on the employee's role, when she isn't available to complete her job duties, some of her co-workers may need to complete her job responsibilities for her which affects the team and employee morale.

For example, in a coffee shop or pharmacy, there could be a line of customers waiting for their orders or prescriptions to be filled. If one team member is not present, that affects total production for the day for both the location and the employee.

**Reasonable Accommodation**

Under the federal Americans with Disabilities Act (ADA) for employers with 15 or more employees, and the more expansive state Fair Employment and Housing Act (FEHA) for employers

with five or more employees, employers must provide reasonable accommodation to qualified individuals with disabilities unless the employer can prove undue hardship.

While you are addressing the performance issue, you'll want to give the employee the opportunity to let you know if she needs a reasonable accommodation. You can do that by asking the employee if there is additional support that the employer can provide that she needs to meet her job responsibilities. This begins the interactive process.

Here, all we know is that the employee spends a lot of time in the restroom. If an employee has a disability and is requesting a reasonable accommodation, you may request a medical certification to support the reasonable accommodation.

Ideally, you'll give the employee a reasonable accommodation request form and list the essential functions of the job when you ask her for medical certification.

Some disabilities, such as irritable bowel syndrome (IBS), may require an employee to use the restroom frequently. Examples of reasonable accommodation could be an assigned workspace closer to the restroom, or additional break time to use the restroom.

For more information and the

*See Lengthy Restroom Use: Page 3*

**CalChamber-Sponsored Seminars/Trade Shows**

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

Leaves of Absence. CalChamber. May 8–9, August 7–8, Online. (800) 331-8877.

Revisiting Your Workplace Violence Prevention Program for 2025. CalChamber. May 15, Online. (800) 331-8877.

HR Boot Camp. CalChamber. June 5–6, September 11–12, Online. (800) 331-8877.

Supervisor Essentials: Workplace Compliance. CalChamber. July 17, Online. (800) 331-8877.

**International Trade**

Exim 2025 Annual Conference. Export-Import Bank of the United States. April 29–30, Washington, D.C. In-person only. [Registration open](#).

Access Africa Now: Empowering Africa's Financial Future — Exploring Fintech's Role in Growth and Opportunity. Webinar Series. U.S. Commercial Service. April 29-June 24, Online. [Webinar website](#).

Annual Export Conference. National Association of District Export Councils. May 19–20, Washington, D.C. [Conference website](#).

14th World Chambers Congress. World Chambers Congress. September 2–September 4, Melbourne, Australia. <https://wcc.iccwbo.org/>

**CalChamber Calendar**

*California Business Outlook and Dinner:*  
June 4, Sacramento

## The Workplace

# Common Mistakes to Avoid With California's Pregnancy Disability Leave



In **Episode 221** of The Workplace podcast, CalChamber Associate General Counsel Matthew Roberts and Senior Employment

Law Counsel Erika Barbara cover common mistakes employers encounter when working with pregnant employees who request leave due to their pregnancy.

At the beginning, Roberts notes that employers can find complying with California and federal laws about pregnant employees to be difficult and confusing because of the variety of state and federal leave and discrimination laws that apply.

For Barbara, understanding the law that applies to pregnant employees is important because these issues have an impact on nearly all businesses at some point. Further, because every pregnant employee has a unique experience, handling any leave or related issues may be a little bit different every time.

### Leave Eligibility and Pregnancy Disclosures

California law provides a specific leave of absence for pregnancy-related disabilities known as pregnancy disability leave (PDL) that provides up to four months of job-protected leave, which an employee may request even on their first day of employment.

“So, this often takes employers by surprise,” Barbara says. “There is no eligibility requirement for pregnancy disability leave...employers are eligible for leave from the moment that they are hired.”

Further, Barbara states, this law applies to any employer with five or more employees and includes other provisions such as reasonable accommodations and

the potential for job transfers within the organization — highlighting the importance for employers to be aware of these obligations and that they kick in right when the employee is hired.

Because of the immediacy with which a pregnant employee may ask for accommodations or leave, employers often are blindsided and wonder if an applicant or new hire needs to disclose their pregnant condition so that an employer may prepare for these requests.

“[T]here is no requirement that an applicant disclose their pregnancy during the interview process or before they’re hired and, in fact, we don’t want them to do that because pregnancy is a protected characteristic under the law,” Barbara says.

To avoid discrimination claims, employers must evaluate an applicant based upon whether they are qualified for the job and cannot consider a protected characteristic such as pregnancy — even if the applicant voluntarily discloses that they are pregnant.

### Four Months Isn't a Guarantee or a Limit

While California law does provide for up to four months of PDL, employees are not guaranteed this full amount. Barbara states that a common misconception among employees is they get an automatic four months of leave and get to decide when to take that leave.

Employers needn't rely on employees to dictate when and how much leave they need. “Instead, what we do is require medical certification confirming the need for leave,” Barbara says. From there, employers can determine the leave's duration based on the statement from the employee's doctor.

If an employee needs more than the four months of leave because of significant difficulties with their pregnancy or

childbirth, the employer needs to consider further disability leave under standard disability rules. Barbara notes that while California Family Rights Act leave is also available for eligible employees, that leave is reserved for child bonding and does not begin until after the pregnancy disability ends.

“Pregnancy disability leave continues after the baby is born because an employee will continue to be disabled for some period after childbirth,” Barbara says. When an employee is recovering after childbirth, they are still within the definition of “disabled by pregnancy.”

### Returning to Work Is a Right

Roberts notes that because of the length of time that employees may be out related to their pregnancy disability as well as any subsequent child bonding leave, employers may have transferred that employee's duties to a temporary employee or several existing employees within the organization and may find that they prefer that arrangement.

Employers must understand, however, that anyone taking job-protected PDL or child-bonding leave must be returned back to their original or a comparable position.

“That really means a position that's virtually identical in terms of pay, duties, schedule, shift, everything,” Barbara says.

Employers should always consult legal counsel for specific issues related to pregnancy and childbirth.

Employers looking for more guidance and detailed information about PDL and child-bonding leave can utilize CalChamber's substantial online resources at [HRCalifornia](#).

Also available is an on-demand recording of the CalChamber webinar “[What to Expect When Your Employee Is Expecting: PDL and Child-Bonding Leave](#).”

## Lengthy Restroom Use? Reasonable Accommodation May Be Needed

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CalChamber Reasonable Accommodation Request Form and checklist, go to the [Reasonable Accommodation of Disabilities](#) section on [HRCalifornia.com](#).

### Best Practice

Addressing frequent/lengthy restroom

use should be handled with sensitivity, while focusing on performance. The best practice is to address both the performance concerns with the employee, and provide the employee an opportunity to notify you if there is a need for a reasonable accommodation due to a disability.

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](#).



# Tariff Tumult Continues in April



As many as 100 governments around the world have indicated an interest in

negotiating tariffs with the Trump administration following the rapid series of trade policy announcements by President Donald Trump.

The President's Wednesday, April 2, "Liberation Day" [announcement of new reciprocal tariffs](#) from the first Rose Garden ceremony was followed by uncertainty, higher consumer prices, lower stock market prices and reduced consumer confidence.

Just a week later, on Wednesday, April 9, the President announced a "90-day pause" of the reciprocal tariffs — except China, which was raised to 125% resulting in a 145% total, and keeping the 10% tariff on other countries.

According to the [White House fact sheet](#), President Trump imposed responsive tariffs to "strengthen the international economic position of the United States and protect American workers."

As the basis to impose these tariffs, the President invoked his authority under the International Emergency Economic Powers Act of 1977 (IEEPA) to "address the national emergency posed by the large and persistent trade deficit that is driven by the absence of reciprocity in our trade relationships and other harmful policies like currency manipulation and exorbitant value-added taxes (VAT) perpetuated by other countries."

## Trade Negotiations

Now quickly negotiating trade deals is everyone from Vice President JD Vance traveling to India, U.S. Treasury Secretary Scott Bessent attending the annual spring International Monetary Fund (IMF) and World Bank (WB) meetings in Washington, D.C., to U.S. Trade Representative Ambassador Jamieson Greer.

Italy's Prime Minister has visited the White House to discuss a European perspective and there have been discussions with Japan, as well as more recently with South Korea and the United Kingdom. President Trump has taken a personal interest in attempting to negotiate with China. The focus has been on

top U.S. trading partners with 18 proposals on the table, but there are many more country negotiations to come.

Negotiating all these agreements in short order is a monumental task, particularly because there are only approximately 250 employees in the office of the U.S. Trade Representative. For the near future, some of the agreements may be more in the form of memorandums of understanding.

In the meantime, the IMF has slashed its global growth forecast for this year and predicts a big impact on the U.S. economy. The IMF states that U.S. growth is expected to slow to 1.8% in 2025 with the global economy projected to grow by 2.8%, compared to 3.3% last year.

## New Tariffs Summary

- President Trump imposed a 10% tariff on all countries, effective April 5, 2025.
- Before announcing the 90-day pause on tariffs, President Trump planned to impose an individualized reciprocal higher tariff on the countries with which the United States has the largest trade deficits, with all other countries continuing to be subject to the original 10% tariff baseline — effective April 9, 2025. [See list of countries.](#)
- The tariffs were to remain in effect until President Trump determines that the threat posed by the trade deficit and underlying nonreciprocal treatment is satisfied, resolved, or mitigated.
- The executive order also contains "modification authority," allowing the President to increase the tariff if trading partners retaliate or decrease the tariffs if trading partners take significant steps to remedy nonreciprocal trade arrangements and align with the United States on economic and national security matters.
- Some goods are not subject to the reciprocal tariffs, including steel/aluminum articles and autos/auto parts already subject to Section 232 tariffs; copper, pharmaceuticals, semiconductors, and lumber articles; bullion; and energy and certain other minerals not available in the United States.
- For Canada and Mexico, the existing fentanyl/migration IEEPA orders remain in effect, and are unaffected by the April 2 executive order. This means that

United States-Mexico-Canada Agreement (USMCA)-compliant goods will continue to see a 0% tariff and non-USMCA-compliant goods will see a 25% tariff.

## California Actions

Meanwhile in California, Governor Gavin Newsom on [April 4 directed his administration to pursue new strategic trade relationships with international partners](#) aimed at strengthening shared economic resilience and protecting California's manufacturers, workers, farmers, businesses, and supply chains.

As part of this effort, the Governor also called on longstanding trade partners to exempt California-made products from any retaliatory measures, reinforcing the state's commitment to fair, open, and mutually beneficial trade.

On [April 14, Governor Newsom and Visit California announced the state will be launching a new international campaign](#) to help maintain the strong tourism partnership between California and Canada, reminding Canadians that California is a grateful partner and remains one of the best — and most welcoming — destinations in the United States, and the world.

On April 16, Governor Newsom and Attorney General Rob Bonta filed a lawsuit in federal court challenging President Trump's use of emergency powers to enact broad-sweeping tariffs that hurt states, consumers, and businesses. The lawsuit argues that President Trump [lacks the authority to unilaterally impose tariffs](#) through the IEEPA, creating immediate and irreparable harm to California, the largest economy, manufacturing, and agriculture state in the nation.

## CalChamber Statement

In response to ongoing news and announcements related to the federal administration's actions on tariffs, and the Governor and Attorney General's lawsuit challenging such actions, CalChamber President and CEO Jennifer Barrera issued the following statement:

"CalChamber has long supported a free trade agenda that fosters economic growth and job creation, including advocacy on lowering or eliminating tariff and non-tariff barriers for businesses. Protectionist measures, such as tariffs, disrupt global supply chains and raise costs on

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## Bill Undermining PAGA Reform Passes Senate Committee

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Under current law, Labor Code section 210 penalties for violations of multiple Labor Code provisions may be collected through PAGA or if the employee files a wage claim with the Labor Commissioner.

When drafting the PAGA reform and the provisions imposing penalty caps when an employer “takes all reasonable steps” to comply with the law and to fix policies and practices, reform advocates made sure the caps applied where a lawsuit seeks Labor Code section 210 penalties through PAGA.

### New Reason to Sue

SB 310, however, removes those guardrails from Labor Code section 210, giving it a new, separate private right of action that trial lawyers will attach to every boilerplate claim they file to inflate settlement costs.

As an example of how law firms abuse litigation, in February, the Labor and Workforce Development Agency required one law firm to refile more than 130 PAGA cases. If passed, SB 310 hands such firms a new procedural tool for extracting higher penalties from employers.

### Key Vote

SB 310 passed Senate Judiciary on April 22, 10-2.

**Ayes:** Allen (D-Santa Monica), Arreguin (D-Berkeley), Ashby (D-Sacramento), Durazo (D-Los Angeles), Laird (D-Santa Cruz), Stern (D-Los Angeles), Umberg (D-Santa Ana), Wahab (D-Hayward), Weber Pierson (D-San Diego), Wiener (D-San Francisco).

**Noes:** Niello (R-Fair Oaks), Valladares (R-Santa Clarita).

**Not voting:** Caballero (D-Merced).

SB 310 will be considered next by the Senate Appropriations Committee.

**Staff Contact:** Ashley Hoffman

## Tariff Tumult Continues in April

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businesses, which are ultimately reflected through higher consumer prices or limited choices on products. As Californians grapple with rising costs and worry about daily pocketbook issues, additional tariffs will only further exacerbate the affordability crisis that millions are facing and will have dire consequences on the California economy.”

### CalChamber Position

The California Chamber of Commerce, in keeping with longstand-

ing policy, enthusiastically supports free trade worldwide, expansion of international trade and investment, fair and equitable market access for California products abroad and elimination of disincentives that impede the international competitiveness of California business.

While strategic use of tariffs or the threat of tariffs may be a meaningful negotiation tool, the CalChamber supports efforts to reduce the taxation and regulatory burden as a means to create jobs and economic growth. Further, a focus on trade agreements instead will

ultimately eliminate both tariff and non-tariff barriers and help create long-term, sustainable economic growth.

The CalChamber supports negotiating new multilateral, sectoral and regional trade agreements, ensuring that the United States may continue to gain access to world markets, resulting in an improved economy and additional employment of Americans.

**Staff Contact:** Susanne T. Stirling

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