

# ALERT

## CalChamber's CEQA Reform

### Boosting California's Economy and State Budget



New analyses of the California Chamber of Commerce ballot measure to streamline and

modernize the construction of essential projects find it could result in a multibillion-dollar boost to the state's economy and, in turn, add new jobs and revenues to help pay for vital government programs.

Separate reviews by the nonpartisan [Legislative Analyst's Office \(LAO\)](#) and the [Blue Sky Consulting Group](#), a research firm comprised of veteran state policy experts, found ample evidence of the economic benefits contained in the Building an Affordable California Act (BACA).

"The results of these in-depth studies are not only a reflection of why we want voters to take action in 2026, but also why we are so sure the proposal is key to California's long-term prosperity," said CalChamber President and CEO Jennifer Barrera. "Our state has so much potential that's being locked up by well-intended but outmoded processes, and the Building an Affordable California Act will be a catalyst toward making the state a more affordable place to live and work."

#### **'Likely to Result in Savings'**

The [LAO review](#), issued on Dec. 10, 2025, found that the net effect of BACA

provisions — especially those related to shortened time limits for agencies and the courts — would "likely result in savings in the longer term."

Analysts also concluded that inflationary costs of public works projects could decrease under new timelines for review. Completion of more private sector projects, the LAO report points out, "could lead to an increase in tax revenues, such as property tax revenue."

#### **The Impacts of Even Modest Changes**

The [Blue Sky Consulting Group](#) report found that even a 5% increase in annual statewide spending on essential projects — as defined in the Building an Affordable California Act — could generate \$12 billion a year in additional economic output and more than 38,000 new jobs in construction and other sectors.

The resulting wages, profits, and taxable sales would, in turn, add some \$220 million a year to California's general fund and \$89 million in annual revenue for local governments.

The Blue Sky report notes that increased productivity in the construction sector will "allow firms to produce more output given the same inputs" — in essence, more bang for the buck.

Costs will also go down, the report's  
*See Boosting California: Page 5*

### Tariffs Leave CalChamber Members Wary, Bracing for Impact in 2026



California Chamber of Commerce members report new federal tariffs have had a variety of

impacts on their companies and believe more challenges are on the horizon, including a growing likelihood that their prices will go up.

Those sentiments were shared in a brief online survey of CalChamber members representing a variety of economic sectors. The organization has been a steady voice through the years against protectionist measures which create uncertainty and hinder the competitiveness of California business.

In anticipation of potential supply chain difficulties, respondents cite a number of strategies. These include looking into different suppliers for parts within the United States, sourcing materials from countries that are less affected by the higher tariffs, sharing the cost with customers, and buying in larger quantities when prices are lower or tariffs are suspended.

Other companies are building additional costs into their project bids, cutting expenses and placing a freeze on hiring due to ongoing uncertainty over tariff policies.

"Reducing inventory, remaining aware, vigilant," commented one business owner.

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## Labor Law Corner

# What to Do If Employee Refuses to Sign Handbook Acknowledgment



**Sharon Novak**  
Employment Law  
Expert

*During a recent audit of our files, we found that one employee has not signed the employee handbook acknowledgment. He keeps making excuses, stating that he needs his attorney to review it. It has been four months since we requested his signature. What can we do at this point?*

Employee handbooks are not legally required in California. Creating, adopting and disseminating a handbook is a “best

practice” for companies to ensure that policies and procedures are clearly explained and that expectations are defined.

There is no California law mandating that employees sign an acknowledgment that they received a handbook. However, a signature is optimal for documentation and compliance.

Employee handbooks should be distinguished from the harassment, discrimination, and retaliation prevention policy that all employers have a duty to create under Title 2, California Code of Regulations (CCR), Section 11023(b).

In addition, this regulation requires employers to disseminate the policy to employees with an acknowledgment for the employee’s signature or through another method that provides for acknowledgment (Title 2, CCR, Section 11023(c)).

Because the law requires a signed acknowledgment for the harassment prevention policy (unlike employee handbooks), refusal to sign may be treated as more troubling conduct from a new employee and more serious consequences may apply.

## Recommended Steps

Following are recommended steps for when an employee refuses to sign the handbook acknowledgment. These steps also may be appropriate for other situations where an employee refuses to sign documents presented by their employer, such as disciplinary notices.

• **Discuss and clarify the purpose of the signature.** It is important that you review the handbook with employees and offer them an opportunity to ask questions.

After discussion and review, if an employee announces that they will not sign the acknowledgement, ask “What about signing the handbook concerns you?”

Explain that the signature is simply an acknowledgment that they received the handbook. Emphasize that the purpose of the signature is not to signal approval of the employer’s policies but to confirm that the employee has received the handbook and been given an opportunity to review and discuss its provisions.

• **Communicate with the employee that handbook policies apply even if they do not sign the acknowledgment.**

The employer should state clearly that the handbook policies and procedures apply to all employees even if handbook acknowledgments are unsigned.

There should be no doubt that the policies in the handbook will be enforced, and that refusal to sign the acknowledgment does not excuse the employee from following company policies.

• **Document the employee’s refusal to sign.** Refusal language can be included with the acknowledgment, such as “I was presented with a copy of the handbook, read it, and refused to sign.”

Not surprisingly, the employee may even refuse to sign the refusal language. If so, make a note on the acknowledgment form that the employee refused to sign everything presented to them.

For example: “Presented to [employee name] on [date]; employee refused to sign.” This note should be signed by you, dated, and kept in the employee’s personnel file.

This documentation is important.

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### California Chamber Officers

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## CalChamber-Sponsored Seminars/Trade Shows

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

2026 Employment Law Updates.

CalChamber. January 8, 9, 15, 16, 22, 2026, [Reserve Now](#). (800) 331-8877.

2026 Employment Law Updates.

CalChamber. January 29, 2026, [Webinar](#). (800) 331-8877.

California Employers’ Guide to AI Decision Making. CalChamber. February 19, 2026, [Webinar](#). (800) 331-8877.

HR Boot Camp. CalChamber. February 26–27, April 23–24, June 4–5, September 10–11, 2026, [Virtual Seminar](#). (800) 331-8877.

*See CalChamber-Sponsored: Page 3*

**Next Alert:**  
**January 9, 2026**

## Governor Names CalChamber VP to California Innovation Council



**Ronak Daylami**

Ronak Daylami, CalChamber vice president for advocacy, privacy, cybersecurity, and emerging technologies, has been named to the newly formed California Innovation Council.

Gov. Gavin Newsom launched the council this week as one of [several initiatives](#) gathering the “best and brightest tech policy experts from across the country” to help the state

develop and strengthen its technology policy.

Daylami will serve on the council working group looking at technology, economic development, and workforce, co-led by the Governor’s Office of Business and Economic Development (GO-Biz) and the Labor and Workforce Development Agency.

Other working groups will focus on protecting child online safety and countering image-based abuse; modernizing government service delivery; and countering tech fraud.

“California is at the forefront of AI technology — and is home to some of the

most successful and innovative companies and academic leaders in the world,” the Governor said in a news release announcing his initiatives. “We’re not going to sit on the sidelines and let others define the future for us. But we’re going to do it responsibly — making sure we capture the benefits, mitigate the harms, and continue to lead with the values that define this state.”

Council members include scientists, researchers, academics and people with experience in state and national governance.

## More Film Projects Coming to State Due to Film Tax Credit Program



Gov. Gavin Newsom announced this week that 28 new film projects are coming

to California thanks to awards funded by the film and television tax credit program, which was expanded by legislation signed earlier this year.

The bill more than doubling the film tax credit to \$750 million a year was a California Chamber of Commerce-**supported Cost Cutter (AB 1138; Zbur;D-Hollywood; Chapter 27).**

The Governor’s office estimates the productions will hire a total of 4,837 cast and crew, along with 22,614 background performers (measured in days worked), across 831 shooting days statewide. The projects also will generate \$337 million in qualified spending throughout California, including \$209 million in qualified wages.

The listed projects include “Gold Mountain,” a story about the California Gold Rush from Academy Award-winning filmmaker Ang Lee, and an untitled biopic produced by Snoop Dogg.

Seventeen of the new projects will film outside the 30-mile Los Angeles

filming zone. Out-of-zone locations include Alameda, Contra Costa, San Bernardino, San Francisco, Santa Barbara and Sonoma counties, as well as Joshua Tree, Palm Springs, San Luis Obispo and Temecula.

Shooting entirely outside the Los Angeles zone will be five independent projects, including “Gold Mountain,” with 50 out-of-zone filming days in Sacramento County.

More information about the film and television tax credit program is available from the [California Film Commission](#).

## CalChamber-Sponsored Seminars/Trade Shows

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Navigating Paid Sick Leave & Time Off Requests in California. March 5, 2026, [Webinar](#). (800) 331-8877.

Leaves of Absence. CalChamber. March 26–27, May 7–8, August 6–7, 2026, [Virtual Seminar](#). (800) 331-8877.

Workplace Violence Prevention Program Tips for 2026. CalChamber. April 16, 2026, [Webinar](#). (800) 331-8877.

Wage & Hour 101: Nonexempt/Hourly Employees. CalChamber. May 21, 2026, [Webinar](#). (800) 331-8877.

Wage & Hour 101: Exempt Employees. CalChamber. June 18, 2026, [Webinar](#). (800) 331-8877.

Supervisor Essentials. CalChamber,

July 16, 2026, [Virtual Seminar](#). (800) 331-8877.

An Employer’s Playbook for ICE Audits & Workplace Raids. CalChamber. [Recorded Webinar](#). Free to members on [HRCalifornia](#). (800) 331-8877.

### **International Trade**

California Trade Mission: India – Health Tech. Governor’s Office of Business and Economic Development (GO-Biz). January 27–January 31, 2026. Mumbai & New Delhi, India. [Event website](#).

Expo Manufactura. GO-Biz. February 3–5, 2026, Monterrey, Mexico. [Apply today](#).

Agriculture Tech in South Africa, Export

Training. GO-Biz and Zurcom International. February 5–March 30, 2025, [Virtual](#).

EXIM Annual Conference. Export-Import Bank of the United States. April 29–30, 2026, Washington, D.C. [Registration open. æ](#)

SelectUSA Investment Summit. Select USA. May 3–6, 2026, National Harbor, Maryland. [Event website](#).

NADEC Annual Export Conference: Global Trade in Transition. National Association of District Export Councils. May 12–13, 2026, Nashville, Tennessee. [Event website](#).





#### CAPITOL WATCHDOG

Each year, the CalChamber tracks close to 3,000 legislative proposals on behalf of member businesses.

#### MAJOR VICTORIES

CalChamber scores major victories for employers through targeted advocacy and political action. See [www.calchamber.com/majorvictories](http://www.calchamber.com/majorvictories)

#### ABOUT US

CalChamber is the largest broad-based business advocate in California, working at the state and federal levels to influence government actions affecting all California business. As a not-for-profit, we leverage our front-line knowledge of laws and regulations to provide affordable and easy-to-use compliance products and services.

#### For More Information

Contact Naseem Moeel,  
Corporate Relations,  
(916) 879-7904.

[calchamber.com/advocacy](http://calchamber.com/advocacy)



## Advocacy in Action 2025

CalChamber's advocacy team brings the voice of its member businesses into the halls of power in Sacramento, ensuring that state leaders fully understand the economic impacts of their decisions.

The results in 2025 show a real, measurable return on the investment in an advocacy membership.

### Economic Impact Snapshot: \$250 Billion

At the end of every legislative year, CalChamber samples the potential costs avoided, or savings achieved for California businesses and their customers.

This year's return on investing in an advocacy membership is valued at close to \$250 billion. That's more than \$16,000 per employee in California's private sector.

#### CalChamber Advocacy Issues with Avoided Costs

**\$150 BILLION:** Retroactive penalties for lawful business activities (SB 684, AB 1243)

**\$42.6 BILLION:** Climate-related disaster liability costs (SB 222)

**\$34 BILLION:** Corporate tax rate increase to nearly double the rate for targeted employers (SB 573)

**\$9.7 BILLION:** Climate disclosure for apparel companies (AB 405)

**\$4.7 BILLION:** Unworkable, costly stormwater permit mandate and lawsuit exposure (AB 1313)

**\$2.5 BILLION:** Limits on the use of automated decision systems (AB 1018)

**\$2.4 BILLION:** Costly, impractical restrictions on automated decision systems by employers of all sizes (SB 7)

**\$1.6 BILLION:** Costly workers' compensation changes for public and private hospitals (SB 632)

**\$1.4 BILLION:** Tax on digital advertising (AB 796)

#### CalChamber Advocacy Issues with Enacted Savings

**\$1 BILLION:** Approval of California's participation in expanded regional electricity market (AB 825)

**\$200 MILLION:** Customers can continue to enjoy pricing discounts including loyalty programs thanks to defeat of new restrictions (AB 446)

## Boosting California's Economy and State Budget

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authors conclude, when a project's backers are no longer saddled with indefinite delays and bureaucracy.

"These delays impose costs in the form of uncertainty," they write, "given that investors may require a higher rate of return to compensate for the uncertainty and development costs may increase by more than the rate of inflation during the delay period."

Government costs are also likely to go down.

The current open-ended reviews "impose significant time burdens on government staff, who must prepare updated technical analyses, draft revised impact studies, and coordinate the review process across several public departments," the report notes. It also points out that local and state governments would

see cost pressures go down when building their own public works projects.

The [Building an Affordable California Act](#), a comprehensive plan to modernize the permitting process while keeping all the state's environmental protections in place, will soon receive title and summary from the Office of the Attorney General and is on track to appear on the ballot for voters to consider in November 2026.

## Tariffs Leave CalChamber Members Wary, Bracing for Impact in 2026

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"Raising prices cautiously. . . have been and already have a drop in sales," reported another respondent.

Timing of purchases was critical. As one respondent said, "We had to purchase an air conditioning unit and our provider had stockpiled a few before the tariffs hit. We would have faced double the cost."

### This Year

Two-thirds of those responding (67%) say they will end 2025 with the tariffs having had a negative effect on their business.

Asked in what ways they are being affected negatively by tariffs, just less than half (48.5%) cited profit margins and revenue (39%). About 45% said they were absorbing the cost internally.

"The company is currently absorbing about half of the tariff costs and passing the other half to customers," said one respondent. "This policy will not last much longer as sales are dropping and

costs are increasing."

Other impacts identified in the multiple-choice question were stock/inventory planning (38.6%), finding new foreign suppliers (15%), scaling down (10.5%), ability to hire (10%), relocating production or services (6.67%), and investments (6.2%).

Manufacturing made up the single largest proportion of respondents (20%), followed by health care (9%), retailers (8%), nonprofits (8%), wholesalers (7.6%) and tourism/hospitality (7%). Other industry categories represented included construction (6%), education (5%), and legal services (4.7%).

### Passing Along Increases

Asked about passing through tariff cost increases to customers in the next three months, respondents were almost evenly split. But a larger number believed prices would rise in the next six months, though a roughly equal number of businesses were unsure.

Asked how the prices their company charges have changed compared to six months ago, 51.9% reported increased prices, 45.7% no change and 2.38% a decrease in prices.

More than 8 in 10 survey respondents reported the prices their company pays for goods and services have increased compared to six months ago, with 18% saying there had been no change.

### Next Year

Looking ahead to 2026, more than 62% of respondents said they expect current tariffs will have a negative impact on their business next year, with 24% being unsure, 11% expecting no impact and just 2.38% predicting a positive impact.

While business leaders believe they will need to pass along tariff costs to their customers, they're unsure of the exact amount. Just less than 22% said they would pass along some cost increases.

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

## What to Do If Employee Refuses to Sign Handbook Acknowledgment

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Without a signed handbook acknowledgment or documented refusal, you may be vulnerable in employment disputes because there is no proof that the employee was informed of policies or received them.

**• Determine whether you want to have a policy that signing the handbook acknowledgment is a condition of employment.**

Employers can make signing the

acknowledgment a condition of employment.

If an employee refuses to sign after you have explained that the signature is required, you can treat this refusal as failure to comply with a condition of employment.

California is an at-will state, and refusing to sign the acknowledgment is not a legally protected act. If the signature is a condition of employment, an employer may discipline the employee

for insubordination, provided that the reason is not discriminatory or retaliatory.

It is recommended that you consult with an employment attorney if you want to terminate the employee.

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*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).*