

ALERT

CalChamber Releases 2026 Affordability Agenda

List Calls Out Bills as ‘Cost Drivers’ or ‘Cost Cutters’



The California Chamber of Commerce this week released its annual

Affordability

Agenda, highlighting legislation that will either help businesses and consumers by cutting costs or will drive up costs despite the state’s high cost of living.

Nine new legislative proposals have been identified as **Cost Drivers**, while only two new bills have been identified as **Cost Cutters**. Other bills will be added to both Affordability Agenda lists in the coming weeks, including some from the list of more than 600 bills that were introduced last month with only placeholder language.

Bills are selected on the basis of their economic impact and the resulting costs or savings that would find their way to Californians and their families.

“No bill in the California Legis-

lature should come up for a vote this year without taking stock of its impact on our state’s affordability crisis,” said CalChamber President and CEO Jennifer Barrera. “The Affordability Agenda reflects the best and worst of the proposals we’ve seen so far. Hard-working Californians deserve to know whether their elected representatives are prioritizing prosperity.”

This is the second year of the Affordability Agenda, which builds on the legacy of more than a quarter-century of **annual lists** that identified bills threatening job growth and retention. The Agenda ensures that additional factors are considered, such as the imposition of additional regulatory burdens or any new incentives to foster economic growth.

Legislators took notice in 2025, as **all but one of the bills identified as a Cost Driver failed to move forward**.

All bills are listed on **CalChamber’s website**, and their status will be updated throughout the legislative season.

The Workplace

What to Consider When Terminating an Employee in California



In California, managing a workforce and making personnel decisions can be a complex task that, if not done with care and

due diligence, is full of potential risks.

In **Episode 240** of The Workplace podcast, CalChamber Associate General Counsel for Labor and Employment Matthew Roberts, CalChamber General Counsel for Labor and Employment Bianca Saad and CalChamber Employment Law Counsel Vanessa Greene walk through the analysis required when employers choose to let someone go or reorganize their workforce.

Roberts opens the podcast describing a common workforce management scenario: a recently hired employee is not meeting expectations for their job. The employer wants to either terminate the employee or eliminate their position through a reduction in force. However, this employee also has a protected class status, so the employer isn’t sure whether they can end the worker’s employment.

In the podcast, as Roberts, Saad and Greene go through how to handle

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Labor Law Corner

Expense Reimbursements: Why Employers Must Pay Late Claims



Lisa Guzman
Employment Law
Expert

We have a manager who is always late submitting his expense reports, in violation of company policy. This week, he submitted a request for mileage reimbursement covering numerous months, some dating back to last year. Can we have a policy that if employees' expense reimbursement claims are not turned in on time, they will not be paid?

The short answer is no. As discussed below, even if an employee's expense reimbursement claim is turned in late

according to the company's policy, the employer still is obligated to reimburse the employee up to the statute of limitations.

Labor Code

California Labor Code Section 2802 requires that employers reimburse employees "for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties, or of his or her obedience to the directions of the employer."

This simply means that if an employee spends their own money or incurs a loss while performing their job duties, the employer must reimburse them for the expense.

Expense reimbursement covers a wide range of work-related costs such as travel and dining expenses, reimbursement for personal cell phone usage and mileage reimbursement when an employee uses their personal car for work-related business. The courts interpret and broadly apply Labor Code Section 2802 because California law and public policy favor protecting employees from an employer passing on business costs to employees.

Expense Reimbursement Policy

California law does not specify a time frame for submitting business expenses. Employers are permitted, however, to have an expense reimbursement policy

requiring employees to submit business expenses within a reasonable time frame and on a regular schedule.

The policy should stipulate a deadline for submitting expense reports. For example, employers typically require employees to submit business expenses monthly.

The policy also should address any forms, receipts or mileage logs required for submitting a request for expense reimbursement. Employers should process reimbursement expenses on a customary schedule and issue reimbursement checks following clear time frames.

Employers also should clearly communicate any reimbursement procedures to employees, so employees understand what is required to submit expense claims under the company expense reimbursement policy.

Late Expense Claims Must Be Paid

Importantly, even if an employee expense claim is submitted late under a company's expense reimbursement policy, the employer still is obligated to pay it.

In this case, even though the manager's mileage reimbursement claims were submitted late and included mileage claims dating back to the previous year, the employer was obligated to issue the

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More information at www.calchamber.com.
Human Resources

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

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

HR Boot Camp. CalChamber. April 23–24, June 4–5, September 10–11, **Virtual Seminar**. (800) 331-8877.

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

Cal/OSHA Consultation Program Overview and Key Updates. May 28, Free Member Webinar. **Contact account manager**.

Wage & Hour 101: Exempt Employees. CalChamber. June 18, **Webinar**. (800) 331-8877.

Supervisor Essentials. CalChamber, July 16, **Virtual Seminar**. (800) 331-8877.

Conducting California Workplace Investigations. CalChamber. August 27, **Virtual Seminar**. (800) 331-8877.

Simplifying Local Ordinances: Helpful Resources for California Employers. CalChamber. **Webinar recording**. (800) 331-8877.

2026 Employment Law Updates. CalChamber. **Webinar recording**. (800) 331-8877.

International Trade

Agriculture Tech in South Africa, Export
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Canadian Consul General: ‘People Trade’ Moves Economy



Personal connections are “people trade” that keeps trade and investment

working and really moves the economy, the Consul General of Canada said at a recent international breakfast hosted by the CalChamber Council for International Trade.

Consul General Rana Sarkar, dean of the San Francisco consular corps, told his audience that Canada-U.S. trade “succeeds because it’s actively maintained by the people in this room and it works when the rules are predictable, borders are efficient, disputes are managed with pragmatism and restraint.”

When those conditions weaken, he said, confidence erodes and investment goes elsewhere.

But Canada wants to see the United States succeed, Sarkar said. “We are your neighbors, but we’re also your cousins and friends and we need to deepen our ability to work together.”

U.S.-Mexico-Canada

Renewing the U.S.-Mexico Canada Agreement (USMCA) is the foundation to the next moment of going forward in trade, according to Sarkar. Canada

shares the USMCA commitment to open markets, evidence-based regulation and the rule of law, and is investing heavily in skills and innovation.

The discussion about the agreement (scheduled to begin July 1) is a review to see what’s working and what’s not, Sarkar explained. Both the U.S. and Canada have identified issues with the USMCA, which went into effect on July

trade folks in Washington D.C. and there are “constant conversations,” Sarkar said. Similarly, conversations are happening between the United States and Mexico trade officials, he added.

Sarkar said the USMCA is “the most successful trading arrangement of any countries in the history of this planet” and “we all have a vested interest” in seeing it continue.



Consul General Rana Sarkar

Looking Ahead

A lot of work remains, Sarkar said, citing the need for Canada to electrify its industries and create a whole new layer of power generation, as well as mine critical minerals to ensure the country is not dependent on the China supply chain. “We’re working with our partners down here to do that,” he said.

Sarkar closed with a recap of how Canadian Prime Minister Mark Carney sees his country going forward in the next few years. Canada is working on building its energy system, defense infrastructure and alliances around the world.

“We need to work with our North American colleagues...to reset to win for this next decade,” Sarkar said, adding that he feels hopeful for the work because of some of the “political rhetoric we’re hearing now,” impressive candidates with sensible agendas, business leaders and others coming together.

Staff Contact: Susanne T. Stirling

1, 2020.

Sarkar identified the “big topics” as including dairy industry concerns, technology and digital trade, autos, labor and supply chain.

Canada’s chief trade negotiator and ministers are close with U.S. Trade Representative Jamieson Greer and other

Expense Reimbursements: Why Employers Must Pay Late Claims

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manager a reimbursement check once his paperwork was received.

Under California law, the statute of limitations for expense reimbursement claims is up to four years. This means, despite any policy to the contrary, an employee may be able to seek reimbursement for necessary expenses within four years of incurring the expense.

Possible Disciplinary Issue

Although the manager here must be

paid for his mileage claims, the employer can address his repeated late expense claims submissions. The employer can discipline the manager for violating the company expense reimbursement policy.

Employers should make sure to consistently apply expense reimbursement policy submission guidelines to all employees. Consistent enforcement of expense reimbursement policies can help discourage late expense reimbursement claims and ensure compliance.

Because Labor Code Section 2802 is

applied very broadly, employers should consult with legal counsel before denying any employee expense reimbursement claims.

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.

What to Consider When Terminating an Employee in California

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this workplace management issue, they discuss:

- How California's at-will employment generally means employees and employers can end employment at any time for any or no reason — except for unlawful reasons — and how employers still need to evaluate every termination decision factor to ensure there are no unlawful reasons for the decision to terminate.
- How an employee's protected char-

acteristic (also referred to as a protected class) affects termination decisions.

- Whether classifying the termination as a layoff or reduction in force gives employers more options for handling these situations.
 - The need to document any performance discussions with the employee as well as the objective basis for the termination decision to demonstrate that it is based on a legitimate business reason and not unlawfully motivated.
- Employers would benefit from imple-

menting early performance management policies long before the termination decision comes up, such as being clear during hiring about the job's expectations, providing adequate training once the worker is hired and setting clear job expectations with employees.

Once a worker is on the job, employers should be sure to communicate continually about any job issues as they arise so it doesn't come as a surprise to the employee when the employer decides to terminate their employment.

CalChamber-Sponsored Seminars/Trade Shows

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- Training. Governor's Office of Business and Economic Development (GO-Biz) and Zurcom International. February 19–May 7, [Virtual](#).
- Chile FIDAE Airshow: California Pavilion. GO-Biz. April 7–12, Santiago, Chile. [See flyer](#). Diana.Dominguez@gobiz.ca.gov.
- EXIM Annual Conference. Export-Import Bank of the United States. April 29–30, Washington, D.C. [Conference website](#).
- The World in Motion: Advancing Sports Tourism on a Global Stage. Inland Empire World Trade Conference Committee and San Bernardino Inter-

- national Airport. May 1, Highland. [Get tickets](#).
- SelectUSA Investment Summit. Select USA. May 3–6, National Harbor, Maryland. [Event website](#).
- NADEC Annual Trade Conference: Global Trade in Transition. National Association of District Export Councils. May 12–13, Nashville, Tennessee. [Event website](#).
- BeautyWorld Saudi Arabia: California Pavilion. GO-Biz. May 18–20. [See flyer](#). Tricia.Utterback@gobiz.ca.gov.
- Asia Tech x Singapore: California Pavilion. GO-Biz. May 20–22, Singapore. [Learn more](#).
- Sri Lanka Expo 2026. Sri Lanka Export

- Development Board. June 18–21, Sri Lanka. [Event website](#).
- Farnborough Airshow. GO-Biz to lead delegation of economic developers. July 20–24, London, United Kingdom. [Event website](#).
- Semicon Taiwan: California Pavilion. GO-Biz. September 1–4, Taipei, Taiwan. Up to 8 California small businesses in semiconductor supply chain invited to apply. [See flyer](#).
- Aquatech: California Pavilion. GO-Biz with U.S. Commercial Service. September 1–3, Mexico City, Mexico. Registration deadline: June 1 or until spaces are filled. [See flyer](#).

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