

ALERT

Assembly Committee Passes Cost Driver Air Legislation *Creates Duplicative, Uncertain Obligations*



A **Cost Driver** proposal to expand the state air board's authority

to regulate certain sources of emissions passed the Assembly Natural Resources Committee this week despite objections that it will lead to higher prices for goods and services.

AB 1777 (Garcia; D-Rancho Cucamonga) grants the California Air Resources Board (CARB) sweeping new authority to regulate indirect sources of emissions statewide.

In **opposing** AB 1777, the California Chamber of Commerce pointed out that

the bill authorizes broad, undefined state-wide regulation of facilities that attract mobile sources of emissions, driving new compliance costs across key sectors and increasing prices for goods and services.

Reflecting the broad impact of the bill, also opposing AB 1777 were state-wide groups from all sectors of the California economy — including manufacturers, contractors, builders, agriculture, grocers, retailers, shippers, ports, laborers and unions representing long-shore and warehouse workers.

No Guardrails

CalChamber pointed out that AB 1777 authorizes CARB to adopt regulations to reduce or mitigate emissions from indi-

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Trump Administration Announces Funding for State Water Infrastructure



Central Valley water canals will receive much-needed funding from federal allocations

announced last week by the U.S. Department of the Interior.

California water infrastructure projects will receive \$540 million for conveyance and storage improvements as part of \$1 billion set aside in legislation passed last year to increase water storage capacity across the West.

Funding announced on March 17 includes the following:

- The **Delta-Mendota Canal** will receive \$235 million to support rehabilitation of the upper canal, including raising canal embankments, repairing check structures and advancing potential construction of a new concrete-lined canal segment. The canal carries water from the Sacramento-San Joaquin Delta south along the west edge of the San Joaquin Valley before crossing to the east and emptying into the San Joaquin River near the city of Mendota.

- The **Friant-Kern Canal**, serving farms and communities throughout the eastern San Joaquin Valley, will receive \$200 million to help restore delivery capacity reduced by years of land subsidence. Several projects to achieve that goal are “shovel ready.”

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Clean Energy Leaders Unite Behind Building an Affordable California Act



A broad coalition of clean energy and climate leaders this week announced their support for

the Building an Affordable California Act (Affordable CA), a statewide ballot measure designed to speed up delivery of critical infrastructure — including clean energy and climate projects — while lowering costs for Californians and keeping strong environmental protections in place.

Supporters include American Clean Power – California; California Energy Storage Alliance; Large-Scale Solar

Association; California Wind Energy Association; California Hydrogen Coalition; and the Breakthrough Institute.

“Building clean energy faster means lower bills, cleaner air, and more reliable power. The Building an Affordable California Act delivers real benefits for Californians while keeping the state on track to meet its climate goals,” said **Alex Jackson, Executive Director, American Clean Power – California**.

Meeting California's climate goals depends on rapidly scaling clean energy, but projects are routinely delayed for years by red tape, duplicative review, and litigation. These delays raise costs for

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*Labor Law Corner***Reproductive Loss Leave: Quick Recap of Types of Events that Qualify**

Vanessa Greene
Employment Law
Counsel

Our California employee has requested time off from work after their spouse recently experienced a miscarriage. What types of leave might he be eligible for?

In California, an eligible employee whose spouse has a miscarriage can take up to five days of unpaid [reproductive loss leave](#).

California requires private employers with five or more employees and all public employers to provide reproductive loss leave to eligible employees who

experience qualifying events such as a miscarriage. This entitlement is separate from [bereavement leave](#).

What Qualifies

Employees are eligible for reproductive loss leave if they have worked for the employer for at least 30 days before the leave begins and they experience a reproductive loss event as follows:

- **Failed adoption:** An adoption agreement is dissolved or breached or an adoption that is not finalized because it is contested.
- **Failed surrogacy:** A surrogacy agreement is dissolved or breached or an embryo transfer to the surrogate fails.
- **Miscarriage:** A miscarriage is experienced by the employee, the employee's current spouse or domestic partner, or another individual who would have been a parent as a result of the pregnancy.
- **Stillbirth:** A stillbirth occurs resulting from the pregnancy of the employee, the employee's current spouse or domestic partner, or another individual who would have been a parent as a result of the pregnancy.
- **Unsuccessful assisted reproduction:** An unsuccessful round of intrauter-

ine insemination or assisted reproductive technology procedure (that is, artificial insemination or an embryo transfer, including gamete and embryo donation) for the employee, the employee's current spouse or domestic partner, or another individual who would have been a parent of a child born as a result of the pregnancy. This does not include conception through sexual intercourse.

Timing of Leave

Eligible employees may take up to five days of reproductive loss leave per event and the days do not need to be consecutive. If an employee experiences more than one reproductive loss event in a 12-month period, they may receive an additional five days per event. Employers may cap total reproductive loss leave at 20 days in a 12-month period.

Reproductive loss leave generally must be taken within three months of the event. However, if the employee is on or chooses to take another leave for which they are eligible, they may complete their reproductive loss leave within three months after that other leave ends.

Reproductive loss leave is unpaid, but
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CalChamber-Sponsored Seminars/Trade Shows

More information at www.calchamber.com.
Human Resources

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.

Leaves of Absence. CalChamber. May 7–8, August 6–7, [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
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CalChamber Calendar

California Business Outlook and Dinner:
June 10, Sacramento

Next Alert: April 10

Assembly Committee Passes Cost Driver Air Legislation

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rect emission sources whenever it decides the action is “necessary” to achieve ambient air quality standards.

The bill places no limits on the scope of CARB’s authority, the types of facilities that may be regulated or the nature and cost of required mitigation measures.

Without clear guardrails or cost-containment measures, AB 1777 creates an “open-ended framework for future regulatory expansion that introduces significant uncertain for regulated entities,” CalChamber warned. “This uncertainty increases compliance risk, raises the cost of capital, and inhibits long-term investment in California.”

Conflict with Local Rules

CalChamber highlighted the economic harm that would result from allowing CARB to develop and enforce statewide indirect source rules that risk creating conflict for facilities like warehouses, ports and large commercial developments. Those facilities already must comply with local zoning, housing and land-use decisions.

It is most appropriate for indirect source regulation to be developed and implemented at the local level, where regulators can tailor requirements to the geographic, economic and infrastructure conditions of a given region, CalChamber asserted.

A program designed for the Port of Long Beach, one of the largest and most complex container ports in the world, should differ from that for a smaller port serving different commodity markets having distinct logistics and transportation networks, CalChamber said.

Hidden Costs for Consumers

Ultimately, AB 1777 affects the physical infrastructure — warehouses, ports and retail centers — that forms the backbone of California’s supply chain, CalChamber said.

The costs of new compliance requirements and mitigation fees (which amount to a surcharge on the movement of goods) are passed along to California households in the form of higher prices for groceries, consumer goods, and essential services.

These expenses have a disproportionate impact on low- and middle-income families.

“In a state that desperately needs to expand its housing stock and modernize its transportation networks,” CalChamber concluded, “the redundant regulations proposed by AB 1777 may stall progress and make essential development even more prohibitively expensive.”

Key Vote

Assembly Natural Resources voted 9-4 on March 23 to send AB 1777 to the Assembly Appropriations Committee:

Ayes: Bryan (D-Los Angeles), Connolly (D-San Rafael), Garcia (D-Rancho Cucamonga), Haney (D-San Francisco), Kalra (D-San Jose), Pellerin (D-Santa Cruz), Schultz (D-Glen-dale), Wicks (D-Oakland), Zbur (D-Hollywood).

Noes: Alanis (R-Modesto), Ellis (R-Bakersfield), Hoover (R-Folsom), Macedo (R-Tulare).

Not voting: Muratsuchi (D-Torrance).

Staff Contact: Jon Kendrick

CalChamber-Sponsored Seminars/Trade Shows

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Resources for California Employers. CalChamber. [Webinar recording](#). (800) 331-8877.

2026 Employment Law Updates. CalChamber. [Webinar recording](#). (800) 331-8877.

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

International Trade

Agriculture Tech in South Africa, Export 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 International Airport. May 1, Highland. [Get tickets](#).

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

12th Annual Orange County World Trade Week Forum. District Export Council of Southern California. May 7, Irvine. [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](mailto:Tricia.Utterback@gobiz.ca.gov). 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](#).

Registration Opens for California Business Outlook and Dinner: A Century in the Making



Registration has opened for the California Business Outlook and Dinner, an unparalleled evening of insight and connection.

Set for June 10 in Sacramento, the gathering is hosted by the California Chamber of Commerce, in partnership with the Sacramento Host Committee.

The event brings together elected officials, local leaders, and top CEOs to discuss critical issues shaping California's business climate.

This year, the California Business Outlook and Dinner marks a historic milestone — 100 years of influence, leadership, and impact in California.

Special thanks to premier sponsor, Fidelity Investments.



Maryam Brown, chief executive officer of Southern California Gas Company, addresses the California Business Outlook Dinner on June 4, 2025.

Early Bird Registration

Early bird registration prices are available until April 15.

[Register today!](#)

Please note that reserved tables are available for sponsors only. See investment opportunities [here](#). Or contact [Naseem Moel](#) for more information.

Clean Energy Leaders Unite Behind Building an Affordable California

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consumers, slow progress on clean air, and hold back projects that reduce carbon emissions.

Affordable CA addresses these challenges by establishing clear, enforceable timelines and consistent rules for agency decisions and judicial review — **cutting project delays by 3 to 9+ years and providing the certainty needed to build at scale.**

“California cannot meet its emissions goals without rapidly scaling clean energy and storage. The Building an Affordable California Act will accelerate the projects needed to produce, store, and deliver clean power—faster, more predictably, and at lower cost,” said **Scott**

Murtishaw, Executive Director, California Energy Storage Alliance.

Affordable CA applies to essential clean energy infrastructure across the board — including solar, wind, battery storage, grid upgrades, and new technologies — helping ensure reliable and affordable power for California's growing needs.

Supporters emphasized that Affordable CA does not weaken environmental protections or exempt any projects from the California Environmental Quality Act (CEQA). Instead, it modernizes the process by requiring agencies and courts to make timely, evidence-based decisions based on clear, existing rules while preserving public input and environmental safeguards.

“Climate disasters are costing Californians billions, yet our permitting process continues to delay the clean energy infrastructure we urgently need. The Building an Affordable California Act cuts through the red tape—helping deliver affordable, reliable clean energy at the speed this moment demands,” said **Shannon Eddy, Executive Director, Large-Scale Solar Association.**

In addition to leading clean energy advocates, **Affordable CA is supported by a broad and growing coalition of more than 60 organizations** — including affordable housing advocates, civil rights leaders, water providers, agricultural groups, and dozens of business organizations.

Trump Administration Announces Funding for State Water Infrastructure

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• The **San Luis Canal**, located on the western side of the San Joaquin Valley, will receive \$50 million to address subsidence issues affecting water delivery reliability.

• The **Tehama-Colusa Canal Authority** pumping plant will receive \$15 million to increase flow rates and improve system performance. The 140-mile canal system served by the plant carries water from the Sacramento River to agricultural areas on the west side of the Sacramento Valley.

• Another \$40 million is allocated for planning and preconstruction activities associated with raising **Shasta Dam**. If that project proceeds, it is estimated to increase the reservoir's storage capacity by 634,000 acre-feet. The water districts say the project will increase water supply reliability during drought years; reduce regulatory restrictions by improving cold-water pools for fish; create economic stability for farms, rural communities and workers; and help sustain agricultural production.

Essential for Reliable Water

Repairing conveyance infrastructure is essential to maintaining the reliable water supplies that serve communities, recharge groundwater aquifers, and help make California the leading agricultural state in the nation.

A thriving agricultural sector benefits farmers, regional economies that depend on agricultural production, and every Californian who purchases products that are grown here.

Staff Contact: Kristopher Anderson

Reproductive Loss Leave: Quick Recap of Types of Events that Qualify

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employees can use their existing available vacation, personal leave, sick leave or other compensatory time off. Employers may not request documentation to certify reproductive loss leave.

Also Remember

Employers must keep reproductive loss leave requests confidential, disclosing information only to necessary internal

personnel or counsel, or as required by law.

Additionally, employers cannot terminate, discriminate or retaliate against employees for exercising their rights under the law.

Employers with an **HRCalifornia** membership have access to the **Reproductive Loss Leave Checklist**, which can be used to create and implement a reproductive loss leave policy that complies

with California's reproductive loss leave requirements for employers with five or more employees.

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.

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