

CALIFORNIA CHAMBER OF COMMERCE VOLUME 32, NUMBER 14 · APRIL 28, 2006

80th Host Breakfast Speakers

Key to Solving Issues: Joint Work for Strong Economy

Governor Arnold Schwarzenegger and California Chamber Chair Donna F. Tuttle highlighted the importance of a strong economy and a cooperative approach to resolving state issues at the breakfast prelude to the Chamber's annual legislative summit this week.

The Governor and Tuttle spoke at the 80th Annual Sacramento Host Breakfast, sponsored by Sacramento business leaders and attended by more than 1,700 business leaders from throughout the state.

Governor

Governor Schwarzenegger reflected on California's achievements while he has been in office, including: improving California's economy, reining in workers' compensation costs, raising the state's credit rating

and creating more than half a million new jobs over the last three years.

He said he believes it is possible to take care of the economy and take care



Governor Arnold Schwarzenegger



Donna F. Tuttle

of the environment. Noting the high cost of gas, he said he has signed an executive order for the California Energy Commission to investigate

rising gas prices and report its findings back to his office. "We have brought our economy back. Now let's start building California for the

future," the Governor

said.

He reminded the audience that it has been more than 40 years since the state has undertaken massive and muchneeded infrastructure improvements. He pointed out that traffic gridlock is common, preventing efficient movement of goods away from the state's ports and increasing the potential for the state to lose jobs to ports in other states.

Moreover, schools are overcrowded and the condition of the levees leaves the state "one big storm, one

earthquake away from a major disaster," said the Governor. He vowed to continue pressing the federal government to ex-

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Testimony Spotlights Environmental, Family Benefits of 4-Day Workweek Bill



California Chamber of Commerce-sponsored legislation that would help individual employees achieve greater flexibility in work schedules could

yield benefits for the environment, as well as children and families, speakers told a Senate committee this week.

Still, the Senate Labor and Industrial Relations Committee rejected the bill, SB 1254 (Ackerman; R-Tustin), on a partyline vote of 1-3 on April 26.

SB 1254 would have allowed individual employees to request and their employers to mutually agree to a compressed schedule of four 10-hour days a week.

If the employer agrees to the proposed compressed workweek schedule, the hours will be paid at straight-time rates. Any work performed beyond the compressed work schedule would remain subject to current California overtime requirements.

The bill is strongly supported by both employers and employees, as illustrated by the committee analysis listing 119 businesses and individuals as supporters. Opposition listed included the applicants' attorneys and many organized labor

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Labor Law Corner

Employees Have Well-Defined, Reasonable Access to Personnel Files



Ellen S. Savage Labor Law Consultant

An employee walked into my office last week and demanded to see his personnel file immediately. Another employee who was terminated last week wants me to send her a copy of her entire personnel file. What are my obligations to these employees?

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E-mail: alert@calchamber.com. Home page: www.calchamber.com. California law gives both current and former employees the right to view their personnel files, but does not entitle them to a copy of every document in the file. There is no obligation to make the file available immediately upon an employee's demand.

The time and place to view the file, as well as the types of documents to which employees are entitled, are limited by the law as follows.

Reasonable Intervals

Employers in California must allow current employees to view their personnel files at *reasonable intervals* throughout their employment.

The California Labor Commissioner has defined "reasonable intervals" to be once every year, unless there is reasonable cause to believe that the file has been altered in a manner that might adversely affect the interests of the employee, or the file contains information that is pertinent to an ongoing investigation affecting the employee, in which case more frequent inspections would be considered reasonable.

Former employees may view their files until the statute of limitations on any legal claims they may have against their former employers expire, typically three to four years at most.

Reasonable Times

Employees must be able to review the file at *reasonable times*.

The California Labor Commissioner considers "reasonable times" to be during the regular business hours of the office where personnel records are usually maintained or at any time during the employee's regularly scheduled work shift, with sufficient time available so the employee has ample opportunity to conduct a thorough inspection.

In general, employees do not have to be paid during the time they are reviewing a personnel file.

In order to permit inspection at reasonable times, California employers may:

- keep a copy of personnel records at the place where each employee actually reports to work;
- make personnel records available to employees at the place they report to work as soon as practicable, but no later than 21 calendar days from the date of the request;
- allow employees to inspect personnel records at the location where the records are stored.

If an employee must travel to another location to review his/her file, however, it must be during the employee's normal working time and paid at the employee's regular pay rate.

Accessible Documents

Employees and former employees are allowed to inspect personnel records that have been used to determine their qualifications for promotion, additional compensation or disciplinary action, including termination.

Exceptions are records relating to the investigation of a possible criminal offense, letters of reference and certain records obtained prior to employment, either prepared by identifiable examination committee members or obtained in connection with a promotional examination.

Employees and former employees are entitled, upon request, to copies of any documents they have signed that relate to obtaining or holding employment (getting the job or keeping the job). Examples include signed employment applications, performance reviews and discipline or warning notices.

The Labor Law Helpline is a service to California Chamber preferred and executive members. For expert explanations of labor laws and Cal/OSHA regulations, not legal counsel for specific situations, call (800) 348-2262 or e-mail: helpline@calchamber.com.

Visit www.calchamber.com for the latest business legislative news plus products and services to help you do business in California.







Testimony Spotlights Environmental, Family Benefits of 4-Day Workweek

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groups, although the bill specifically exempts workers covered by collective bargaining agreements.

Dominic DiMare, Chamber vice president of government relations, stressed the benefits of a four-day workweek for both employers and employees.

"Employers believe that California needs to change the law to permit four-day workweeks for individual workers desiring to find an appropriate balance between work and their personal lives. SB 1254 helps address this problem by establishing a voluntary, employee-driven process allowing individual employees to request and their employers to mutually agree to a four-day compressed workweek," DiMare said.

Family Benefits

In testimony to the committee, Jill Buck, a working mother of three and founder and executive director of the Go Green Initiative, emphasized the positive impact this bill would have on the environment, children and families.

"By allowing 10-hour work days, we . . . allow workers to commute during off-peak hours, and thus reduce traffic congestion. When cars are gridlocked, they create more air pollution in our neighborhoods . . . Any measure to ease traffic jams will have a positive impact on both air quality and the health of those most vulnerable to respiratory ailments due to poor air quality — namely children," Buck said.

She added that families will benefit in many ways from SB 1254: "Besides being able to spend more time together, families may see dramatic decreases in daycare expenses, lost work time due to sick days parents must take when kids are ill, and opportunities to make preventative doctor and dentist appointments available only during the week."

Cecilia Potts, marketing manager for the Camarillo Chamber of Commerce, commented that the flexibility provided by SB 1254 would permit her to focus on projects at work and use the added day off to consolidate tasks like medical appointments and other family errands.

Key Vote

SB 1254 failed to pass Senate Labor and Industrial Relations on a vote of 1-3. **Aves: Ackerman (R-Tustin).**



Cecilia Potts of the Camarillo Chamber (left), Senator Dick Ackerman (R-Tustin) and Jill Buck of the Go Green Initiative, Pleasanton, appear before the Senate Labor and Industrial Relations Committee in support of the senator's four-day workweek bill, SB 1254.

Noes: Alarcón (D-San Fernando Valley); Kuehl (D-Santa Monica); Lowenthal (D-Long Beach).

Senator Richard Alarcón, committee chair, emphasized several times during the hearing that he considers SB 1254 to be a way around the state's eight-hour rule, and that he is supportive of flexible scheduling as long as it includes overtime pay for every hour worked over eight hours in a single workday.

The Assembly companion version of

the bill, AB 2217 (Villines; R-Clovis), failed to pass the Assembly Labor and Employment Committee on a 2-6, partyline vote on April 19 despite strong employer and employee support for the bill.

During testimony by labor representatives against AB 2217, one labor representative suggested that employees seeking the scheduling flexibility permitted by the bill could "join a union."

Staff Contact: Julianne Broyles

Seminars/Trade Shows

For more information on the seminars listed below, visit www.calchamber. com/events.

Business Resources

Brand Is "You," Marketing Yourself in a Job Search. Wilcox Miller & Nelson. May 9, Sacramento. (916) 977-3700.

CEO Succession Planning. Wilcox Miller & Nelson. May 11, Sacramento. (916) 977-3700.

Labor Law

Managing Employee Performance Web Seminar. California Chamber of Commerce. May 11. (800) 331-8877.

Introduction to Human Resource Administration. California Chamber of Commerce. May 16, Sacramento. (800) 331-8877.

International Trade

80th Annual World Trade Week Kickoff

Breakfast. Los Angeles Area Chamber of Commerce. May 3, Los Angeles. (213) 580-7538.

Breaking the Cycle — The New Business Challenge. Danish American Chamber of Commerce. May 3, San Francisco. (415) 981-1234.

Doing Business with Israel: A Trade Briefing. Israel Economic Mission. May 4, Sacramento. (323) 658-7924.

Business Opportunities in Malaysia.
Malaysian Industrial Development
Authority and Malaysia External
Trade Development Corporation. May
8, San Francisco. (408) 392-0617/8.

DR-CAFTA 2006. San Diego World Trade Center and U.S. Chamber of Commerce. May 16, San Diego. (619) 615-0868, ext. 109.



Legislative Summit Attendees Hear Candidate, Pollster, Assembly Leaders



State Treasurer Phil Angelides, Democratic gubernatorial candidate, outlines for attendees at the California Chamber Business Legislative Summit his plan to increase taxes on upper-income individuals and corporations.



California Chamber President Allan Zaremberg (left) moderates a town hall session with Assembly Republican Leader George Plescia (center) of La Jolla and Assembly Speaker Fabian Núñez (D-Los Angeles). The Assembly leaders presented brief overviews on top issues facing their respective caucuses, then fielded questions covering the gamut from term limits to the state's business climate, infrastructure, education, the Chamber-sponsored four-day workweek proposal, immigration, housing, redistricting and working relationships at the State Capitol.



Pollster Chuck Rund, Charlton Research Company, presents an overview of the mood of the California electorate. Among the findings: a majority of voters say the state is on the wrong track, citing poorly run government as a top reason.

Key to Solving Issues: Joint Work for Strong Economy

From Page 1 pedite funding and permits needed to strengthen the levees.

Emphasizing that California's population is predicted to grow by far more than its infrastructure was built for, the Governor said the state needs "to build and build and build" to ensure it will continue to be a great place with great opportunities for future generations. "The only way for us to accomplish this is to work together," the Governor said.

Donna Tuttle

Tuttle, co-owner and chairman of Elmore Tuttle Sports Group, commended the Governor on his successful reduction of workers' compensation rates, his current proposal for improving California's infrastructure and his commitment to a non-partisan solution to the state's problems. (See text of her remarks on Page 5.)

"The Governor has big dreams for California," Tuttle said. "In his State of the State address, he proposed building, upgrading and improving the infrastructure of the state. That, in turn, would affect, not only our personal lives, but would have a positive economic impact on cities and counties and businesses throughout the state."

She commented that all Californians should be concerned about the cost of doing business in the state because "when businesses do well, the state does well. Jobs are created, salaries are raised, state coffers are filled, and people walk around with more money in their pockets."

Legislative proposals need to be monitored with an eye on whether they create or lose jobs, attract or lose companies, or enhance or lose shareholder value, Tuttle said.

She noted that everyone cares about

California, including fixing education, infrastructure, the regulatory environment, health care costs and environmental quality. "Regardless of our political perspectives, consensus doesn't mean giving up on dreams," she said.

"There are not Democrat solutions or Republican solutions. There are only California solutions. So let's stop arguing and let's start fixing, and together we will realize the California dream," she concluded.

The Sacramento Host Breakfast kicks off the Chamber's annual Business Legislative Summit. The summit is an important part of the Chamber's grassroots effort, bringing together both business and local chamber leaders from throughout the state to learn about important legislation affecting their businesses.

Staff Contact: Vince Sollitto



Remarks by Donna F. Tuttle

Working Together to Address State's Needs Will Fulfill California Dream

Following are excerpts from remarks by California Chamber Chair Donna F. Tuttle at the Sacramento Host Breakfast on April 25. Tuttle is co-owner and chairman of the Elmore Tuttle Sports Group.

hen President Ronald Reagan was presented with his Medal of Freedom award in 1993, he said: "In America every day is a new beginning and every sunset is merely the latest milestone on a voyage that never ends. For this is the land that will never become and is always in the act of becoming. America is the land of tomorrow."

And while that is still true about the USA, it is an absolute reality in our great state of California.

Since the days of the Gold Rush and even before, our state has always been associated with a dream — the California dream.

We have always been an oasis shimmering on the horizon — a place of riches, opportunity, beauty, creativity and an unsurpassed quality of life.

Anything is possible in California. People come here ready to choose a future, search for stardom, wealth and happiness. California isn't just a destination — it is truly a dream.

I have had the chance to live the California dream. I own minor league sport teams. In California, I own the Seattle Mariners' single A farm club in San Bernardino. It is part of a well-known league called the Cal League. It is made up of 10 teams — five in the north and five in the south. They are long A, high level, with very sophisticated stadiums, similar to the River Cats in Sacramento.

We have the typical hokey fun on the field, musical chairs between innings, baseball buddies on the bases with the players, the mascot running the bases, Little Leagues, any excuse possible to getting the kids on the field. We have had great legends play for us — Ken Griffey Jr., Adrian Beltre, Paul Konerko, Mike Hampton, to name a few.

Our biggest event was our single A



Donna F. Tuttle, California Chamber chair, displays some of the championship rings her sports teams have won, part of the California dream she has been living.

team playing against the parent club, the Mariners. Even Ichiro was there playing.

On our team, we had Kevin Costner. He landed on our field in a helicopter in front of 10,000 fans. He played shortstop, he hit a double, he fielded the ball and started a double play. Even the Mariners manager was amazed at his ability.

He then posed for pictures on the field with all of the fans from San Bernardino. Today, if you go through all of the offices in the different government buildings, everyone has their picture with Kevin on the wall.

Now that is the California dream.

I remember when I bought this team in 1992, it wasn't soon after we had started the season that I asked how did one get a championship ring.

I was told never to ask. It was explained that some people who have been in the business for 25 years were still waiting for a ring.

So I waited — and it was two years later that our hockey team in Denver won the national championship in the IHL that spring of '94. The following year, in '95, I won back-to-back in hockey and baseball

that summer. [Her teams won championships in 1994, 1995, 1999, 2000 and 2003.]

Wow, I was living the California dream.

reams are what have made California great. The Governor has big dreams for California. In his State of the State address, he proposed building, upgrading and improving the infrastructure of the state. That in turn would affect, not only our personal lives, but would have a positive economic impact on cities and counties and businesses throughout the state.

It would expedite trade and the transportation of various goods to the rest of the United States, strengthening our port and rail capabilities. This is huge for California, and yet we sit here today with no agreement.

I was appointed in 1992 by then-Governor Pete Wilson to the Competitiveness Council, chaired by Peter Ueberroth. We looked at the impediments that were causing companies to leave California. I could submit this report today and most of it would still apply. The only difference would be the accomplishment by this Governor in workers' compensation reform.

Why aren't all of us concerned about the cost of doing business in California? This is not a Chamber problem; it is a problem for legislators, voters, unions, teachers, Republicans and Democrats. When businesses do well, the state does well. Jobs are created, salaries are raised, state coffers are filled, and people walk around with more money in their pockets.

Why aren't we all monitoring legislative bills and asking: Does it create jobs or lose jobs? Does it attract companies or lose companies? Does it enhance shareholder value or lose shareholder value?

worry about the dreams of young people. Today, we, the Baby Boomers, are almost irrelevant to marketers. Companies are now targeting a much more lucrative market made up of Gen-Xers and Millennials. This does not mean that we

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Local Business Leaders Honored as Small Business Advocates of Year

The California Chamber of Commerce this week honored seven small business advocates from around the state with the 2006 Small Business Advocate of the Year Award.

The award recognizes the business leaders for their advocacy efforts on behalf of small businesses.

The honorees were presented their awards at a luncheon before approximately 700 attendees at the California Chamber's Business Legislative Summit in Sacramento.

The 2006 Small Business Advocate of the Year winners are:

- Roderic Ballance, executive director, Global Trade Center of the Inland Empire, Riverside;
- Bill Baron, partner, Brandenburg, Staedler & Moore, San Jose;
- René Boskoff, general manager, Monterey Marriott Hotel, Monterey;
- Mari Featherstone, co-owner, LeaseMark, Santa Rosa;
- Don Lee, district manager, Farmers Insurance Group, El Segundo;
- Janine Montoya, owner, Tri Valley Aire/Valley Aire Heating and Air Conditioning, Simi Valley; and
- Eric "Otis" Nostrand, owner, The Hop Yard Ale House, Pleasanton.

Award honorees were nominated by



The 2006 Small Business Advocate of the Year award winners are (from left) Don Lee of El Segundo; Roderic Ballance of Riverside; Bill Baron of San Jose; René Boskoff of Monterey; Mari Featherstone of Santa Rosa; Leigh Nixon, chief executive officer of the Simi Valley Chamber, accepting for Janine Montoya of Simi Valley; and Eric "Otis" Nostrand of Pleasanton.

local chambers of commerce and selected by a task force comprised of members of the California Chamber's Small Business Committee

The criteria used in the selection process include taking leadership roles in or working on federal, state or local ballot measures, testifying before the state Legislature and representing a local chamber of commerce before local government. Usually six awards are given; however, this year, seven were presented.

Profiles of each award recipient will appear in future issues of *Alert* and on the California Chamber's website.

Staff Contact: Dave Kilby

Working Together to Address State's Needs Will Fulfill California Dream

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cannot make a difference. We still have the responsibility to change course for this next generation.

My daughter is a Millennial. She is the oldest of the Millennials at 28, and she is typical of this generation. They are entrepreneurs; they want to own their own business, in lieu of working for someone else. They are driven by the bottom line. (My daughter has started her own shoe company, ldtuttle.)

Will she and others be able to thrive in a bureaucratic environment, burdened with government regulations, threatened with frivolous lawsuits? (She has experienced one already.) What about the young people left behind — those students who feel left out? Is there a dream for them?

We all need to take the responsibility for education not working. I am very proud to say that I was a teacher. I taught high school in Watts for five years, chaired the history department. I am a Republican, and I was a member of the union. Oxymoron? No.

e all care about California.
We all want to fix education, infrastructure, regulatory environment, health care costs and environmental quality. Regardless of our political perspectives, consensus doesn't

mean giving up on dreams.

As chair of the California Chamber of Commerce, I can assure you that the Chamber will continue to be there as the leading voice for a strong California economy.

I've always believed that it's amazing what can be accomplished, if you work together as a team and you don't care who gets the credit.

There are not Democrat solutions or Republican solutions. There are only California solutions.

So let's stop arguing and let's start fixing, and together we will realize the California dream.



2006 Legislative Summit Opinion Poll

Attendees Split on State's Direction; Legislators, Infrastructure Top Concerns

- From a business perspective, do you believe things in California are going in the right direction or are on the wrong track?
 - 47% Right direction
 - 47% Wrong track
 - 6% Don't know
- 2. How are business conditions in California compared to 18 months ago?
 - 60% Better
 - 33% Same
 - 7% Worse
- 3. During the next six months, do you believe the state's economy will:
 - 60% Stay about the same
 - 22% Improve
 - 18% Worsen
- 4. Of the following issues, which is MOST IMPORTANT to you and your business?
 - 23% Legislators who understand business
 - 17% Transportation, infrastructure issues
 - 12% Health care costs
 - 10% Complying with regulatory requirements
 - 10% Finding skilled workers
 - 6% Housing costs
 - 5% State labor laws
 - 5% Workers' comp costs
 - 4% Illegal immigration
 - 4% Energy costs
 - 3% Taxes
 - 1% Legal liability/tort reform
 - 0% Unemployment insurance
- 5. And from the same list, which is your second choice?
 - 14% Legislators who understand business
 - 12% Transportation, infrastructure issues
 - 12% Health care costs
 - 11% Finding skilled workers
 - 10% Complying with regulatory requirements
 - 10% Housing costs
 - 6% Energy costs
 - 6% Legal liability/tort reform
 - 6% State labor laws
 - 6% Workers' comp costs
 - 3.5% Illegal immigration

- 3.5% Taxes
- 0% Unemployment insurance
- 6. Which of the following best describes what has happened to your workers' compensation insurance over the past year?
 - 29% Decreased 1-9%
 - 26% Decreased 10-25%
 - 5% Decreased more than 25%
 - 21% Stayed the same
 - 15% Increased 1-9%
 - 3% Increased 10-25%
 - 1% Increased more than 25%
- 7. How closely have you been following news reports about the proposed guest worker program for undocumented immigrants?
 - 50% Somewhat closely
 - 36% Very closely
 - 12% Not too closely
 - 2% Not at all
 - 0% Not sure
- 8. Do you support or oppose the guest worker program?
 - 44% Somewhat support
 - 19% Strongly support
 - 15% Not sure
 - 13% Strongly oppose
 - 9% Somewhat oppose
- 9. Do you believe businesses should be penalized for hiring undocumented workers?
 - 34% Yes somewhat believe businesses should be penalized.
 - 33% Yes strongly believe businesses should be penalized.
 - 14% No somewhat believe businesses should not be penalized.
 - 10% No strongly believe businesses should not be penalized.
 - 9% Not sure
- 10. Do you provide health insurance for your employees?
 - 85% Yes
 - 15% No

- 11. If "yes" to the previous question, what actions have you taken as a result of increased health insurance premiums over the last few years?
 - 43% Passed additional costs along to my employees
 - 31% Paid increased premium costs
 - 2% Reduced coverage in an attempt to control costs
 - 4% Reduced the number of employees
 - 0% Dropped coverage
- 12. If you don't provide health insurance for your employees, why not?
 - 60% Costs too much
 - 15% Employees would rather have more pay instead of insurance
 - 15% Other
 - 10% Administrative hassles
 - 0% Need more information about
- 13. Do you believe that state government is gridlocked and can't take action on the big issues facing the state?
 - 86% Yes
 - 8% No
 - 6% Not sure
- 14. What's the main reason for legislative deadlock on the biggest issues facing California?
 - 45% Skewed legislative districts mean there's no incentive to work together
 - 33% Majority out of touch with reality
 - 14% Too few moderates
 - 4% Minority won't compromise
 - 3% Legislators are doing the best they can on tough issues
 - 1% Other
- 15. What are your company's workforce plans for the next six months?
 - 58% No changes anticipated, will remain the same
 - 38% Plan to expand our workforce and hire new employees in California
 - 4% Employee layoffs or cutbacks anticipated
 - 0% Plan to expand our workforce, but hire new employees outside California



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