

ALERT

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 **CalChamber**[™]
CALIFORNIA CHAMBER OF COMMERCE

Business Execs Say Schools Important, But Quality Low

California business leaders place education at the top of public policy concerns, alongside health care, according to a survey released this week by the California Foundation for Commerce and Education (CFCE). At the same time, business executives gave K-12 schools a “D” grade for their quality of work.

In the first statewide survey of its kind, a representative sample of business executives said they believe schools need more funding, but believe even more strongly that reforms should be adopted to meaningfully overhaul how schools are run and pupils educated.

“Business leaders insist schools must provide well-qualified workers but believe that is not currently happening,

especially in high schools,” said Loren Kaye, CFCE president.

“Specifically, executives tell us schools should teach job readiness skills in addition to the basics, and rate communications, work ethic and personal responsibility on par with reading and even above writing and math,” Kaye said. “This is a major finding since these skills are not in today’s policy debate in a significant way and represents a sharp distinction from voters and elected officials who are more focused on academic and vocational issues.”

Need for Funding, Reform

Executives agreed that the main pur-

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Assembly GOP Releases Proposals for Health Care Reforms

Assembly Republicans this week outlined their proposals for improving California’s health care system.

The Republican Assembly members highlighted 18 bills they say will maximize choice, reduce costs and increase access to health care in California “without costly new mandates, tax hikes or government programs.”

Proposals for health care reform also have been outlined by Governor Arnold Schwarzenegger (R), Senate President Pro Tem Don Perata (D-Oakland), Assembly Speaker Fabian Núñez (D-Los Angeles) and the Senate Republican Caucus (see January 26 and February 2 *Alert*).

Assembly Republicans proposed to give individuals and businesses more options by allowing them to choose what benefits will be part of their health care plans based on individual health needs and budget constraints.

Also proposed was allowing employers to purchase health and workers’ compensation coverage as one policy, to give employers more choices at a lower cost. Similar to other proposals for California health care reform, the Assembly Republicans also proposed increasing reim-

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Governor Talks Health Care with CalChamber



Governor Arnold Schwarzenegger explains key features of his proposal to reform the state’s health care system at the March 9 meeting of the California Chamber of Commerce Board of Directors. Details on the plan — which contains elements aimed at promoting wellness, requiring coverage and containing costs — appeared in the January 12 *Alert*.

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Labor Law Corner

Comp Claims Needed for Worker Injuries, Regardless of Circumstances



Dana Leisinger
Labor Law Consultant

We have an employee who was injured on the job; he was tested at the treating clinic and was found to be positive for marijuana. Do we even have to file a workers' compensation claim accordingly?

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Yes. Failure to file/process a claim may subject the employer to a penalty.

Under the Influence

When an employee is intoxicated by alcohol or drugs at the time of the injury, it is considered to be an affirmative defense to his/her workers' compensation claim, and as a result, may bar compensation to the applicant. That is determined by a judge, however, not the employer.

Procedurally, the claim must be filed, and the defense asserted with the Workers' Compensation Appeals Board before or no later than the mandatory settlement conference, which may not occur until several months or even years after the date of the injury. The employer must prove the impact of alcohol/drugs on the injury at the time of trial; therefore, it is critical to gather as much evidence as possible at the time of the injury.

It also is possible that the use of drugs/alcohol may not be a *direct* cause of the accident, or even the injury. But the intoxication may be grounds for "apportionment" — in other words, the workers' compensation amount the employee receives for the injury will be reduced accordingly.

Liability and Coverage

It also is possible that the employee

testing positive for drugs/alcohol may have nothing to do with the injury. Workers' compensation insurance is a no-fault insurance system — the employer has limited absolute liability for work-related illnesses and injuries, and employees do not have the right to sue the employer in court for those damages.

Therefore, any reasonable doubt as to applicability of coverage generally is resolved in favor of coverage.

In this situation, the employee was hit on the head by falling debris, and any state of intoxication might not have made a difference. A completely different argument could be made if the employee was operating equipment and was under the influence of drugs/alcohol so as to cause an accident.

When an employee tests positive for drugs/alcohol after a work-related injury, conduct a timely and full investigation in preparation for future hearings.

The Labor Law Helpline is a service to California Chamber of Commerce 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 submit your question at www.hrcalifornia.com.

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California State Board of Equalization.
April 13, Merced. (916) 341-7389.

Labor Law

Pregnancy Disability Leave 201 Live
Web Seminar. CalChamber. March 22.
(916) 928-3585

International Trade

International Water Technology
Conference. International Center for
Water Technology. April 2-4, Fresno.
(559) 278-2066.
9th Annual Trade Policy Forum 2007.
California Council for International
Trade. April 19-20. Silicon Valley.
(415) 788-4127.

CalChamber Calendar

California Business Legislative Summit:
May 21-22, Sacramento

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CalChamber Supports Effort to Put Workplace Posters in Plain Language



SUPPORT

The California Chamber of Commerce is again **sponsoring** legislation aimed at making workplace posters easier to understand.

CalChamber-supported **AB 613 (Tran; R-Costa Mesa)** will establish a working group of employee and employer representatives to ensure current state-mandated workplace posters use simple, plain language.

Benefits

"Both employees and employers would benefit from easy-to-understand workplace posters," said Marti Fisher, CalChamber policy advocate.

"Using plain, simple language in workplace postings ensures that employers know how to comply with the law and that workers can understand their rights," Fisher said. "In the process, workers, employers and government save time, effort and money. Clearly written notices

prevent frustration and litigation."

Working Group

AB 613 proposes to assemble a working group composed of equal numbers of employer and employee representatives, overseen by the Division of Labor Standards Enforcement. Using existing resources, the group members will work together to make recommendations on how best to simplify the language of current state-mandated workplace posters.

"A plain language poster looks good, is organized logically, and is understandable the first time someone reads it," said Fisher.

If plain and simple language is used to write the posters, then new postings will use common, everyday words, short sentences, and terms and definitions that are simply and clearly defined.

Action Needed

AB 613 has been assigned to the Assembly Labor and Employment Committee; a hearing date has not yet been set.



**Assemblyman
Van Tran**

In 2006, similar legislation failed to pass the committee on a party-line vote, with Republicans in support and Democrats opposed.

Contact members of Assembly Labor and Employment and urge them to **support AB 613**.

For an easy-to-use sample letter and other tools to help you contact your legislative representatives, visit www.calchambervotes.com.
Staff Contact: Marti Fisher

CBS Political Correspondent Comments on Presidential Candidates

Gloria Borger, national political correspondent for CBS News, comments on presidential politics and assesses the candidates for U.S. President at the recent meeting of the California Chamber of Commerce Board of Directors. Borger noted that the presidential election next year will mark the first time since 1928 that neither a sitting President or Vice President is running. The number of early primaries has meant that the race for President has heated up faster than in previous elections, she said. She also commented that the war in Iraq appears to be the deciding issue motivating voters at this time, having resulted in a regime change — in the United States, with the Democrats taking control of Congress. She observed that slightly less than half the voters refer to themselves as "moderate," with a sizable majority having voted Democratic in the last election. Borger also is the political columnist for *U.S. News and World Report* and a regular panelist on PBS' *Washington Week*.



Business Execs Identify School Concerns

From Page 1

pose of a high school education should be providing skills to students so they can be productive workers in California's economy. Focusing on the basics ranked next in priority, followed by college preparation and citizenship.

Business leaders identified the most important education reforms as providing essential basic skills for students, more technical and vocational education, incorporating best business practices into schools and clearly tracking and evaluating teacher performance in improving student performance.

Regarding top priorities for reforms affecting teachers, executives called for making it easier to fire underperforming or incompetent teachers, increasing salaries for teachers who improve student performance, more teacher training and mentoring, and higher standards for achieving tenure.

Business leaders are open to increased funding, even tax increases, as long as those increases are tied to adopting proven reforms, tougher accountability and increased financial oversight.

"California business leaders believe that increased funding is a necessary ingredient for public school improvement, but only if accompanied by strong reforms and close accountability tied to student improvement," Kaye said.

Methodology/Funding

This statewide Internet survey was



Loren Kaye, president of the California Foundation for Commerce and Education, a non-partisan and non-profit 'think tank' affiliated with the California Chamber of Commerce, recaps the foundation-commissioned survey finding that state business executives believe education is very important but that K-12 schools need to do a better job of preparing students for the world of work.

conducted from January 29 to February 14 by the national research firm, Greenberg Quinlan Rosner Research. The 1,342 responding business executives were representative of business size and sector in California as a whole. The margin of error is 2.6 percent at the 95 percent confidence level.

The study was made possible by the support of the William and Flora Hewlett Foundation and the Bill and Melinda Gates Foundation.

Foundation

The CFCE is a tax-exempt, non-profit, 501(c)(3) corporation affiliated with the California Chamber of Commerce, and functions as a "think tank" for the business community in California. The foundation is non-partisan and does not advocate on legislation or ballot measures.

More information on the survey is available at www.calchamber.com.

Foundation Staff Contact: Loren Kaye

CalChamber Participates in Governor's Career Tech Education Summit

The California Chamber of Commerce was among representatives from business, education, labor, foundations and political leaders who shared perspectives on career technical education (CTE) at the first summit on the topic, convened on March 13 by Governor Arnold Schwarzenegger.

The Governor and other summit speakers voiced concern about California's ability to compete in a global economy and cited CTE as a means to meet the need for an educated workforce while giving students many ways to achieve success.

A high demand for workers is projected for jobs such as carpenters, electricians, nurses, welders and nanotechnology production workers, according to the California Labor and Workforce Development Agency.

Suggestions by summit speakers for improving the effectiveness of CTE in California included better coordination among existing programs with similar goals and making sure that CTE programs relate to the types of jobs forecast for the future and industry needs.

"Career technical education programs are an innovative way to battle the state's

increasing high school dropout rate and ensure that California maintains an adequate pool of highly skilled and well-educated graduates ready to fulfill the state's workforce needs," said CalChamber policy advocate John Hooper.

"The CalChamber believes helping young people develop the skills necessary to be productive citizens is an essential part of building and maintaining a strong economy, which in turn is essential to business success and social responsibility," Hooper said.

Staff Contact: John Hooper

Cal/EPA Advisory Group Open to Input from Business on Reducing Emissions



Business participation is an integral part of the process of developing the state's market-based program for reducing greenhouse gas emissions, the chair of the advisory committee for the effort told the California

Chamber of Commerce Board of Directors last week.

"Economic systems have to be part of the solution," Winston Hickox, chair of the Market Advisory Committee and former secretary of the California Environmental Protection Agency (Cal/EPA), said at the March 9 meeting of the CalChamber Board.

Hickox said he is available and open to meet with business leaders about ways to implement the market-based measures to help reach the state's goal of reduced greenhouse gas emissions.

The point of the advisory committee's efforts, he noted, is to try to assure that it takes advantage of lessons learned by others.

The 14-member Market Advisory Committee was created by executive order of the Governor to outline steps the administration should take to implement the state's landmark greenhouse gas reduction law, AB 32 (Núñez; D-Los Angeles; Chapter 488, Statutes of 2006). AB 32 requires the



Winston Hickox, secretary of the California Environmental Protection Agency during the administration of Governor Gray Davis and now chair of the Market Advisory Committee developing recommendations to help California reduce greenhouse gas emissions, encourages businesses to make their views known. Economic systems have to be part of the solution, Hickox told members of the California Chamber Board of Directors at their March 9 meeting.

state to reduce greenhouse gas emissions to 1990 levels by 2020.

The committee is to recommend to the state Air Resources Board (ARB) by June 30 a design for a market-based compliance program (see February 9 *Alert*).

Hickox commented that the "command and control" focus of past rules designed to govern "point sources" of emissions won't work with the multitude of "non-point" sources for greenhouse gases.

The most commonly-mentioned greenhouse gas is carbon dioxide, a byproduct of everyday activities such as driving vehicles powered by fossil fuels, electricity generation and cement production.

Highlighting the importance of a broad-based approach to tackling climate change, Hickox cited the agreement signed recent-

ly by Governor Arnold Schwarzenegger and the governors of four other Western states (Oregon, Washington, Arizona and New Mexico) to develop a regional target for reducing greenhouse gases.

Hickox said the advisory committee is drafting guiding principles for its market program. The principles, still in draft form, range from avoiding local, disproportionate impacts on low-income communities to making compliance simple to stimulating investment/rewarding innovation and inspiring other entities by serving as a robust, effective model.

More information on the activities of the ARB entities focusing on climate change is available at www.arb.ca.gov.

Staff Contact: Amisha Patel



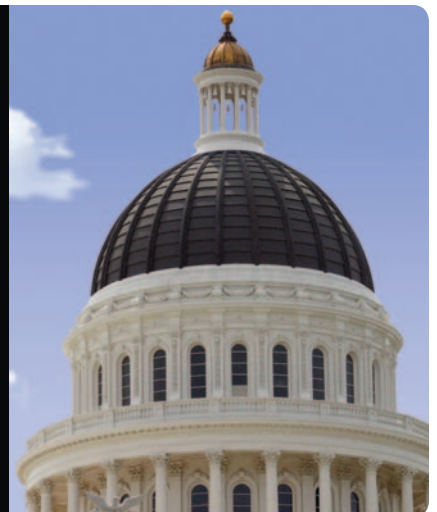
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CalChamber Supports Dual Metric/Non-Metric Labels

The California Chamber of Commerce has sent a letter to the European Union to weigh in on the issue of dual labeling of metric and non-metric units for exports.

The CalChamber supports the permanent extension of the current directive permitting dual labeling of products in Europe.

The extension would permit continued use of the SI/metric system and non-SI/metric units under The Treaty Organisation, Conférence Général de Poids et Mesures (CGPM), governing the international system (abbreviated as "SI" from the French) established by the Directive 80/181/EEC of 20 December 1979.

While the CalChamber understands that the Commission of the European Communities would like to alter the current Metric Directive, effective January 1, 2010, this would not simplify the current system. The CalChamber believes that the possibility of labeling products and having documentation using both metric

and other units should be maintained for as long as the market requires.

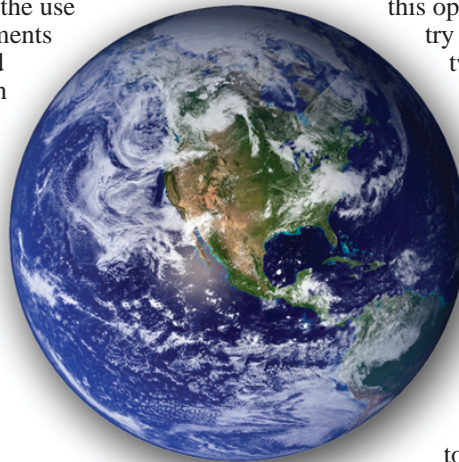
Any change in the Metric Directive, allowing the use of only metric units, and prohibiting the use of any other measurements for most products sold in the European Union would be an undue burden for the California business community.

If only metric units are allowed for use in the European Union, it would add significant financial and administrative costs to the California business community.

For example, catalogs for electrical equipment, machinery or parts, while generally using

one unit of measurement, often mention a corresponding supplementary indication of other units of measurement, which is attached between brackets. Without this option, California industry will have to produce two versions of its packaging and technical documentation — such as operating and training manuals, instructions for service, maintenance or repair, brochures, leaflets — an SI version and a U.S. version. This will involve significant extra costs to California businesses and make trade more difficult on world markets.

Staff Contact: Susanne Stirling



Assembly GOP Outlines Health Care Reform Proposals

From Page 1

bursment rates for doctors who treat Medi-Cal patients.

The Assembly Republican proposal divides bills into the following categories:

Maximizing Choice

- Update California's tax laws and enable workers and small businesses to use tax-free health savings accounts. AB 84 (Nakanishi; R-Lodi) and AB 245 (DeVore; R-Irvine).

- Provide more options for CalPERS members by offering them health savings accounts and high-deductible health plans. AB 1377 (Nakanishi; R-Lodi).

- Allow Medi-Cal patients to voluntarily receive benefits through health savings accounts. AB 1635 (Strickland; R-Moorpark).

- Allow individuals and businesses to decide what benefits are included in their health care plans based on their health needs and budget. AB 1214 (Emmerson; R-Redlands).

- Allow out-of-state insurers to offer health benefit plans to Californians along with in-state insurers. AB 1644 (Niello; R-Fair Oaks).

- Provide tax relief for employers who newly offer health insurance to their employees as a high-deductible health plan. AB 85 (Nakanishi; R-Lodi).

Reducing Cost

- Allow workers to buy their own policies from a newly created California health insurance exchange. AB 1072 (Gaines; R-Roseville).

- Allow small businesses to join with other businesses and purchase health plans at a group rate. AB 1607 (Tran; R-Costa Mesa).

- Provide employers who cover workers with group health insurance coverage the opportunity to purchase one policy that provides both health benefits and workers' compensation coverage. AB 1619 (Benoit; R-Bermuda Dunes).

- Expand state tax deductions for health care, dental and vision expenses. AB 1040 (Duvall; R-Yorba Linda).

Increasing Access

- Eliminate the barriers in state law that prohibit the establishment of additional walk-in, neighborhood health clinics. AB 1643 (Niello; R-Fair Oaks).

- Provide higher reimbursement rates for doctors who treat Medi-Cal patients. AB 1312 (Emmerson; R-Redlands).

- Create a new tax credit for doctors who provide services to the uninsured and underinsured. AB 1592 (Huff; R-Diamond Bar).

- Require community colleges to use merit-based admissions policies for nursing education programs and expand such programs at state colleges and universities. AB 1559 (Berryhill; R-Modesto).

- Allow Californians who are unable to obtain private health insurance due to pre-existing medical conditions the opportunity to purchase a health plan. AB 1378 (Nakanishi; R-Lodi).

- Reform state law to require foundations created by the conversions of non-profit hospitals and HMOs to spend 90 percent of their investment income on care at medical clinics. AB 1572 (DeVore; R-Irvine).

- Prioritize seismic upgrades of hospitals and perform seismic retrofitting on a worst-first basis. AB 1304 (Smyth; R-Santa Clarita).

Small Business Advocate of the Year Award

Pleasanton Small Business Advocate Finds His Outreach Efforts Pay Off

For Eric “Otis” Nostrand, business is never dull in California, and the opportunities to enhance his business and his community through advocacy are as plentiful as the ales at his brew house.

Nostrand, a recipient of the California Chamber of Commerce Small Business Advocate of the Year Award, is the owner of The Hop Yard American Alehouse & Grill in Pleasanton and San Ramon.

Over the 13 years that he has been in business, Nostrand has seen his pubs grow to become very popular places with diverse clientele where it’s not unusual to see a mix of families grabbing a bite to eat, entrepreneurs conducting business and friends having a beer and some good conversation all at once.

“It’s a dynamic range of folks,” says Nostrand. “It’s what I hoped for. I absolutely love it.”

Community Vision

Not only is his avocation enjoyable; it also allows Nostrand to learn about the issues truly pressing in on businesses in his community.

“I get to hear from businesses large and small,” he says. “I hear all the time, ‘California is a great place, but they’re making it tough on us!’”

To run a business in California, “you have to be ready for anything,” Nostrand says. “In the Tri-Valley, it’s been a great couple of years. We’ve been thriving in terms of recovery.”

That thriving economy has brought challenges, however, that demand both personal and community involvement. When Nostrand saw the need for advocacy, he got involved with the Pleasanton Chamber of Commerce.

He first got involved with the Pleasanton Chamber as a small businessperson trying to keep his head above water. “I appreciated that the chamber was standing up for people like me.” That advocacy on his and others’ behalf was the real value of joining, he insists.

As he has gained experience and become familiar with the needs and consistent problems businesspeople face, “Now I am acting as a tail gunner to keep some of the things I don’t want off my back.”

His efforts have earned him the respect of his colleagues. David Bouchard,



Eric ‘Otis’ Nostrand

president/chief executive officer of the Pleasanton Chamber, says Nostrand is “a true leader who cares deeply about his community and always keeps the best interest of all residents in mind when advocating the business point of view on local and statewide issues.”

Political Advocacy

Because he feels so strongly about political advocacy on behalf of business, Nostrand got involved with the creation of “Vision Pleasanton,” a document that outlines eight characteristics the business community feels are important in maintaining Pleasanton as a “community of character.”

While several of these traits are “mom and apple pie” things most people can get behind, others are a bit more apt to spark spirited discussion, including housing and transportation issues. To help move these issues forward, the chamber formed the Business and Community Political Action Committee (BACPAC), which Nostrand chaired during its inception.

“BACPAC deals with candidates and ballot issues that are directly related to Vision Pleasanton,” says Nostrand. The committee has had a good deal of success recently in endorsing and electing candidates supportive of its goals.

“We have motivated folks to have a voice in the community,” says Nostrand. “Politicians have hard time turning away from that.” This work falls directly in line with what Nostrand sees as the chamber’s main purpose: “The chamber’s value to take most seriously is political advocacy.

If the chamber isn’t going to do it, who is? If not now, when?”

Reasons to Get Involved

As Nostrand has become more engaged in advocacy, he’s found it’s not as hard to incorporate into his life as he thought it might be in the beginning.

“I’ve got a stake in the whole thing, and it benefits me because I get to hear about other people, and they get to hear about me,” he says. “It helps open up doors from a business perspective.”

A native son of Pleasanton, Nostrand has seen his hometown grow from its rural origins to a thriving and expanding city with excellent amenities. He always is working to let new residents and businesses know that their fabulous community didn’t just spring up; a lot of people have worked hard to make it an inviting place to live, and that work still needs to be done.

“You have to constantly be remaking yourself, making it the best it can be,” he says emphatically. “We can’t rest on our laurels. We have to be on top of it because it can go away.”

Nostrand stresses the great need for people to get engaged in their community: “Things can’t happen without people getting involved! Any community is only as good as the folks who will dive in and get their hands dirty,” Nostrand says.

“People are scared away from it because they think there’s nothing in it for them, but there definitely is. If people just take a little time to do something extra, they won’t be disappointed,” he says.

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