With just five weeks remaining before the scheduled end of the legislative year, numerous “job killer” proposals are still moving through the process. Committee hearings have been scheduled for a number of the “job killers” in the Senate. The Assembly is due to return on August 20 and has not yet announced hearing dates on pending legislation.

Senate Appropriations Hearing

On the agenda for the August 20 meeting of the Senate Appropriations Committee are:

- **AB 5 (Wolk; D-Davis): Housing Development Restrictions.** Stops new housing development in the Central Valley by punishing new development for the failure of local agencies to develop flood control plans which are based on information not available until 2011.
- **AB 8 (Núñez; D-Los Angeles): Health Care Tax on Employers.** Imposes a tax on small employers who can’t afford to provide health care coverage, to fund health care coverage for those who don’t currently purchase it.
- **AB 35 (Ruskin; D-Redwood City): Increased Construction Costs.** Increases cost to businesses by shifting the development of “green building” standards for government buildings from the Building Standards Commission, which considers cost impact in its development of standards, to other state entities, which do not consider cost impact and have no experience in the development or adoption of building standards.

"Job Killers"

- **AB 888 (Lieu; D-Torrance): Increased Construction Costs.** Increases cost to businesses by shifting the development of “green building” standards for commercial buildings from the Building Standards Commission, which considers cost impact in its development of standards, to other state entities, which do not consider cost impact and have no experience in the development or adoption of building standards.
- **AB 1058 Laird (D-Santa Cruz): Increased Construction Costs.** Increases cost to businesses by shifting the development of “green building” standards for residential buildings from the Building Standards Commission, which considers cost impact in its development of standards, to other state entities, which do not consider cost impact and have no experience in the development or adoption of building standards.

Pending Before Senate

Awaiting action by the full Senate are the following:

- **AB 70 Jones (D-Sacramento): Housing Development Restrictions.** Halts development of housing by imposing joint liability on cities and counties for any flood damage, if they permit housing in undeveloped areas.
- **AB 437 Jones (D-Sacramento): Increased Employer Liability Exposure.** Greatly expands employers’ liability exposure and hampers their ability to defend themselves by effectively remov-

CalChamber Opposes Federal Bill Expanding Employer Liability

The California Chamber of Commerce is urging members to oppose federal legislation that significantly expands the time limit within which an employee can file an employment discrimination lawsuit.

H.R. 2831, which passed the U.S. House of Representatives on July 31, is called the Ledbetter Fair Pay Act, but in fact virtually eliminates the time limits for bringing claims of employment discrimination that have existed in civil rights law for decades.

A similar bill, S. 1843, has been introduced in the U.S. Senate.

Removes Time Limits

Both bills will take away the important incentive for both employers and employees to promptly file and resolve all potential claims. Although the bills have been dubbed a simple, legislative reversal of the U.S. Supreme Court’s recent decision in Ledbetter v. Goodyear Tire & Rubber Co., they actually go far beyond the scope of the case and would potentially make employers liable for pay decisions decades later.

The U.S. Supreme Court’s May ruling

See CalChamber: Page 4

Social Security ‘No Match’ Notice

See ‘Job Killer’: Page 3
Labor Law Corner

What to Do If Social Security Number ‘No Match’ Notice Arrives

I have read the articles about the federal crackdown on illegal immigrants, based on Social Security numbers. The “no match” letters from the Social Security Administration warn against terminating someone because of the receipt of the letter. But it sounds like the Department of Homeland Security is going to take a different view. What should an employer do if it receives a “no match” letter for one of its employees?

The current crackdown by the Department of Homeland Security (DHS) is not a change to the law or the I-9 process. DHS is merely stepping up enforcement of current law while waiting to finalize regulations on this issue that were first released last year.

The “no match” letters from the Social Security Administration are not new and have always advised employers not to terminate someone just because of the letter. There are several reasons such a letter might be issued, such as transposing numbers, making honest mistakes about your Social Security number or failing to change your name for Social Security purposes.

Some employers ask for a Social Security number on their employment application, and other applications may ask if the employee is able to provide documentation of his/her ability to work in the United States. Oftentimes the application also will contain a statement that the employee has to sign, attesting to the truthfulness of the information on the application.

If the employee has signed such a statement and used a false Social Security number, the employee has falsified employment documents, which alone may be grounds for termination.

The problem for the employer occurs when the Social Security number has been used for purposes of I-9 verification. The Form I-9 must be completed by all new hires and this has been the law since 1986. The new employee must present documentation that verifies identity and employment eligibility. One document that can be used to prove employment eligibility is a Social Security card.

If the employee has signed such a statement and used a false Social Security number, the individual completing the I-9 form has to attest under penalty of perjury their status as a citizen, lawful permanent resident, or alien. The I-9 form also contains a statement warning that federal law prohibits false statements and the use of false documents and that imprisonment or fines are permitted for such violations.

If the employee is not eligible to work in the United States and/or cannot provide documentation of their ability to do so, the employer can no longer continue to employ that person.

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.

CalChamber Calendar

Transportation Committee:
September 6, Dana Point

Water Committee:
September 6, Dana Point

Fundraising Committee:
September 6, Dana Point

Board of Directors:
September 6-7, Dana Point

Ad Hoc Climate Change Policy Committee: September 7, Dana Point

Offering Health Benefits

See HRCalifornia.com
Small Business Advocate of the Year Award
Enterprise Zone Pro Eyes Level Playing Field for California Businesses

Blake Christian is a long-time champion for pressing business concerns: assuring the continued viability of the Enterprise Zone (EZ) program in California.

Christian, a winner of the California Chamber of Commerce Small Business Advocate of the Year award, is a partner with the certified public accountancy firm Holthouse Carlin & Van Trigt, LLC (HCVT) in Long Beach, which has developed EZ expertise over many years.

Christian is among the firm’s most prolific and tenacious authorities on the subject. His goal: to help as many businesses as possible take advantage of the California EZ program.

Christian has more than 15 years of incentive tax credit experience; during the last few years he has begun to take a leadership role in EZ creation, utilization and continuation.

There from the Start

Although not initially versed in navigating the legislative process, Christian has proven adept at wending through often-contentious waters.

Randy Gordon, president/chief executive officer of the Long Beach Area Chamber of Commerce, says Christian “has led the way in getting California’s Enterprise Zones redesignated [and] has contributed to saving California business literally millions of dollars.”

“It’s been a real educational experience, learning about the whole legislative process,” Christian says. “I wasn’t in tune with how complex it could be: crossing party lines, making sure both sides hear your position. You can’t work in a vacuum. In the legislative process, there are a lot more people involved in the decision-making process than in business. It’s challenging but healthy.”

Christian says that although advocacy can be frustrating and time-consuming at times, it also is quite rewarding. “At the end of the day, it’s not a sprint, it’s a marathon,” he says. “Advocacy is a long process. You have to be patient. You have to take time to make sure the right people are on board and you’re fighting the right fights. You have to sometimes change course. I would do it all over again. It was a good experience, and the end result is fantastic for businesses in California.”

EZ Challenge

In 2006, after many successful years in operation, most EZs throughout the state were set to expire. A coalition of business interests lobbied the Legislature to extend and preserve the program and redesignate existing EZs.

Christian was a significant force in that effort. He spent a great deal of time re-educating the Legislature and the public on the purpose and mechanics of the program by writing articles and pulling together national studies done by experts on the benefits of enterprise zones.

The most challenging thing about preserving the EZ program, according to Christian, was the need to undo a lot of misinformation circulating about the program.

“There was a perception that it was mismanaged and that only the biggest companies were claiming benefits,” he says. “But those problems were isolated to one city, and at the time of the legislation, all those problems had been fixed by changes in the programs. Because of the mechanics of the program, on a relative percentage basis, enterprise zones help smaller businesses much more than larger businesses.”

Team Effort

Christian is quick to share credit for convincing the right people about the effectiveness of EZs. “Getting support for the legislation was a real team effort,” he says. “Kyla Christoffersen, CalChamber policy advocate, was key within the CalChamber. Lots of people brought skill sets to the table.”

According to Christoffersen, Christian has the ability to understand the nuanced effects the proposed changes could have on the EZ program.

“Blake brought a tremendous amount of expertise to the business community’s advocacy efforts,” she says. “He waded through the proposals and quickly ascertained their practical impact on small businesses and employees.”

Getting the Word Out

From an incentives standpoint, the benefits of EZs are hard to beat. “I am

‘Job Killer’ Proposals Set for Consideration in Senate

From Page 1

ing any statute of limitations for lawsuits challenging any employer decision that effects pay or benefits.

● AB 504 (Swanson; D-Oakland): Mandatory Payments for Striking Employees. Forces employers to pay striking employees by creating a new definition of lockout that requires an employer to pay restitution to employees.

On the Senate unfinished business file after passing the Assembly with amendments is SB 180 (Migden; D-San Francisco): Increased Agricultural Costs. Hurts competitiveness of California agriculture producers, driving businesses out of state, killing jobs and increasing loss of farmland, by artificially increasing labor costs for California producers who must compete in a global market with lower-than-average operating costs; removes secret ballot election requirement for union representation and prohibits employer communication with employees.

Action Needed

Contact members of Senate Appropriations and your senators and urge them to oppose these “job killer” bills.

For sample letters and more information, visit www.calchambervotes.com.

Staff Contact: Dominic DiMare
CalChamber Opposes Federal Proposal Expanding Employer Liability

State Legislation
Similar legislation is under consideration in California. Although the Ledbetter decision is by a federal court and binds federal law only, in reaction to the decision, state legislation was gutted and amended in the California Senate to effectively eliminate the statutes of limitation for many lawsuits under the state Fair Employment and Housing Act and the Labor Code.

AB 437 (Jones; D-Sacramento), a “job killer” bill, greatly expands employers’ liability exposure and hampers their ability to defend themselves in lawsuits by effectively removing any statute of limitations for lawsuits challenging any employer decision that affects pay or benefits.

Write U.S. Senators
H.R. 2831 awaits action on the U.S. Senate floor. The CalChamber urges businesses to contact Senators Dianne Feinstein (D-San Francisco) and Barbara Boxer (D-Greenbrae) and ask them to oppose H.R. 2831. Senator Boxer is a co-sponsor of the U.S. Senate version of the bill.

A sample letter is available at www.calchambervotes.com.
Staff Contact: Kyla Christoffersen

Enterprise Zone Pro Eyes Level Playing Field for California Businesses

Education
Given the general lack of knowledge about the program, educating businesspeople about EZs is the second phase of Christian’s advocacy efforts.

For example, in conjunction with his CPA firm, several university professors, one of his CPA partners and a software company Christian co-founded (NTCG), he worked to develop a software tool that allows companies to enter any address in the country to determine whether it is in an incentive zone and to pull forms to claim credits.

Christian also has written a number of articles on the dizzying variety of EZ benefits, but he has discovered over time that face-to-face outreach with city council districts and business owners works best for getting his points across.

“It really requires that live discussion and the back-and-forth Q-and-A that ferrets out what the program’s about,” he says. “Then the light bulbs start going off.”

Word of mouth is another important tool for educating people about EZs. “A business owner will realize they are missing out on the program, and that they can get four years of refunds through it, and then they tell their neighbors,” he says.

Building and Preserving
According to Gordon, “Blake exemplifies the very definition of a small business advocate. “He builds relationships and serves his community as if the issue depended upon him alone.”

Why does Christian focus on advocacy on behalf of small business?
“I have a lot more fun dealing with the business owners directly,” he says. “They’re the ones who have the passion, the entrepreneurship who have built the business from scratch. I get the most pleasure out of helping them build and preserve what they’ve worked hard for. If I can level the playing field with very legitimate strategies that I have available to me, that’s very satisfying.”
CalChamber Members Receive Awards for Energy Conservation Efforts

A number of California Chamber of Commerce members are among recipients of the 5th Annual Flex Your Power Awards for entities that help conserve energy.

Established in 2001 as a response to California’s 2001-02 energy crisis, Flex Your Power is California’s statewide energy efficiency marketing and outreach campaign. The campaign is a partnership of the state’s utilities, businesses, government entities, non-profit organizations and private citizens.

According to the Flex Your Power website, award winners from the fourth and fifth years saved 1 billion kilowatt hours of energy, the equivalent of taking 80,000 cars off the road.

**Flex Your Power Winners**

CalChamber members were represented in each of the five categories for which Flex Your Power presents awards. Following are the 13 CalChamber members that received the 5th Annual Flex Your Power Awards.

Eight members that received honorable mentions will be featured in an upcoming issue of Alert.

**Best Overall**

- **Association of California Water Agencies (ACWA).** ACWA members supply more than 90 percent of the state’s water, and the association helps its members increase efficiency and participate effectively in demand response programs through industry publications, energy alerts, technical assistance, conferences, research, regulatory support and a standing energy committee.

- **Northrop Grumman Marine Systems.** The Sunnyvale division received the best overall award for making demand response a top priority in its energy action plan. By shifting production to shut down machinery, initiating employee awareness e-mails and turning off unnecessary equipment, Northrop Grumman cut demand by an average of 21 percent during demand response events and during two major heat waves cut demand by 33 percent in the summer of 2006.

**Education and Leadership**

Awards in this category are presented for educational efforts or outstanding leadership having significant impact on energy efficiency or demand response/conservation.

- **Sacramento Municipal Utility District (SMUD).** SMUD used its energy and technology center to provide educational programs and workshops on energy efficiency for commercial and residential customers, small businesses, the building industry, vendors, students and other groups. SMUD also conducted a comprehensive evaluation of the building’s operation and maintenance systems and found 32 ways to further reduce energy use.

**Demand Response/Conservation**

Awards in this category are presented for activities or equipment used to reduce energy use during certain times of the day (for example, at peak use periods) by shedding or shifting demand.

- **Unilever Foods North America.** Unilever has turned off non-essential lights and equipment, installed high-efficiency boilers and initiated rigorous energy conservation. The company also voluntarily participated in a Pacific Gas & Electric integrated audit and is pursuing the incentive applications that the auditors recommended.

**Energy Efficiency**

These awards are presented for installation of energy-efficient equipment, lighting and appliances.

- **AAMCOM.** This call center slashed energy use by upgrading equipment, allowing it to operate 15 percent more efficiently. Other changes included converting lighting, switching to flat-panel computer monitors and installing an energy-efficient roof to blow in cool, outside air while venting hot air through high windows.

- **Cisco Systems.** In 2006, projects completed by Cisco will cut energy use by 3.6 percent and result in more than $1.5 million in cost savings. Cisco upgraded its San Jose campus and established a campus-wide recycling program and an employee education program to encourage energy conservation. The company’s 2006 projects combined will cut greenhouse gas emissions by more than 40 million pounds.

- **H.B. Fuller.** The manufacturer of adhesives, sealants and coatings upgraded motor operations, changed production scheduling for efficient gas use, retrofitted lighting, planted shade trees and instituted employee awareness programs. The company cut energy use by 22 percent, saving $44,000 annually and eliminating 431,000 pounds of carbon dioxide emissions.

- **Marriott International.** Marriott created an array of programs in 2006, including extensive evaluations and planning to ensure maximum energy efficiency, promoting a linen re-use program, and reducing peak-time energy use. Marriott’s efforts have cut carbon dioxide emissions by nearly 4 million pounds.

- **Mexican American Opportunity Foundation.** This non-profit organization participated in efficiency programs and took energy-saving measures such as lighting retrofits and occupancy sensors. The changes are projected to save more than $40,000 per year.

- **Safeway, Inc.** Safeway has achieved dramatic energy savings through several programs, including its “Power to Save” initiative, lighting retrofits, energy management controls and refrigeration upgrades. In all, Safeway has reduced power bills by $10.8 million and has displayed its commitment to solving energy issues by joining both the Chicago Climate Exchange and the California Climate Action Registry.

- **Sun Microsystems, Inc.** Sun Microsystems is controlling data center energy use through the introduction of Sun Fire T1 and T2 servers, which draw about as much power as a light bulb. In addition, the servers will qualify for a unique rebate program through PG&E that is worth $700 to $1,000 per server.

- **University of California, Santa Barbara.** Through upgrades in lighting, heating, air conditioning and equipment, the University of California, Santa Barbara is cutting electricity use by 17.3 percent, saving more than $1.3 million annually and cutting greenhouse gas emissions.
Legislative Outlook

An update on the status of key legislation affecting businesses. Visit www.calchambervotes.com for more information, sample letters and updates on other legislation. Staff contacts listed below can be reached at (916) 444-6670. Address correspondence to legislators at the State Capitol, Sacramento, CA 95814. Be sure to include your company name and location on all correspondence.

Climate Change Incentives Bill Set for Hearing

A California Chamber of Commerce-supported bill that would help California businesses meet requirements in the state’s stringent climate change regulations will be considered by the Senate Appropriations Committee on August 20.

AB 1506 (Arambula; D-Fresno) helps industries reduce their carbon footprint by requiring the state Business, Transportation and Housing Agency to contract with a post-secondary institution to conduct a study on the most effective ways for the state to provide incentives for businesses that reduce their greenhouse gas emissions.

The study shall identify state or federal subsidies available to businesses registered with the California Climate Action Registry and those that will be subject to the requirements of AB 32 (Núñez; D-Los Angeles).

Since AB 32 passed in 2006, climate change mitigation has become a priority for California. In order for the state to remain an economic and environmental leader in the world community, however, it is absolutely necessary that businesses be given the guidance and tools they need to reach the ambitious goals stated in AB 32.

AB 1506 paves the way for new research that will help California’s business climate while ensuring industry meets the goals of AB 32.

The CalChamber believes that in order to successfully reduce global greenhouse gas emissions, businesses should be a part of the solution. If the state provides incentives to reduce global emissions, the state will not only retain its business community, but also will attract an increasing amount of research and capital from around the globe.

Action Needed

Contact members of Senate Appropriations and your senator and urge them to support AB 1506.

Staff Contact: Amisha Patel

Enterprise Zone Legislation Heads for Assembly Vote

California Chamber of Commerce-supported legislation to remove unnecessary delays and costly reporting burdens on local governments applying to be in enterprise zones (EZs) is set to be considered by the Assembly Appropriations Committee upon members’ return from summer recess.

SB 341 (Lowenthal; D-Long Beach) reduces the application burden for applicants for enterprise zones by requiring the filing of an environmental impact report only when necessary.

Under current law, the EZ program imposes a blanket requirement on every EZ application to be accompanied by an environmental impact report (EIR). A zone applicant, therefore, may be required to undergo a full EIR even if under regular California Environmental Quality Act standards, a negative declaration or mitigated negative declaration would have been satisfactory.

This current blanket EIR requirement can result in significant delay and cost to zone applicants without additional environmental benefit.

The CalChamber believes that SB 341 will remove an unnecessary, heavy burden and cost from the EZ program that runs counter to local economic development of depressed areas and the other public policy goals behind the EZ program.

SB 341 enjoys wide support from a variety of business, taxpayer organizations and local governments.

The bill is urgency legislation: if it passes and Governor Arnold Schwarzenegger signs it, it will take immediate effect.

Staff Contact: Kyla Christoffersen
State Agency Completes Sexual Harassment Training Guidelines

The California Chamber of Commerce is urging members to comply with the Fair Employment and Housing Commission sexual harassment training regulations recently approved by the state Office of Administrative Law.

AB 1825, signed in 2004, requires California employers with 50 or more employees (including temporary service employees, independent contractors and employees outside the state) to provide newly hired or promoted supervisors with two hours of classroom or other interactive sexual harassment training within six months of assuming a supervisor post.

Who Must Be Trained

Employers must provide training to all employees who have “supervisory authority,” which generally includes anyone who has independent authority to:

- Hire, transfer, suspend, lay off, recall, promote, discharge, assign, reward or discipline other employees;
- Direct the work of other employees; and/or
- Resolve employee conflicts.

Employees who make recommendations to managers about such matters also must receive training if their recommendations are likely to be acted upon.

The state of California or a political subdivision thereof (local agencies, counties, public school districts, etc.) also is an employer under these regulations.

Employees include full-time, part-time and temporary workers or contractors for each working day in any 20 consecutive weeks in the current calendar year or preceding calendar year. The 50 individuals do not need to work at the same location or within the state of California.

Independent contractors as well as employees count toward the 50-employee minimum. In fact, contractors who perform services for a company for each working day in 20 consecutive weeks in the current or preceding calendar year count toward the 50 employee minimum.

Businesses must maintain documentation of a supervisor’s training completion for a minimum of two years. The documentation must include the name of the supervisory employee trained, the date of the training and the name of the training provider.

Training Must be Interactive

California law requires that the training be “interactive.” This means that video training alone is likely insufficient without discussion, role-playing, a question-and-answer session, or other similar techniques led by a qualified trainer.

Employers using a webinar for training must document that each supervisor who was not physically present in the same room as the trainer actually attended the training and actively participated in it.

Businesses that do not complete the training are subject to a corrective order from the Department of Fair Employment and Housing as well as increased exposure to harassment claims.

New Businesses

Businesses created after January 1, 2006 having more than 50 employees as defined above must provide sexual harassment supervisor training within six months of their establishment and every two years thereafter using one of the above tracking methods. Businesses created before January 1, 2006 that expand beyond 50 employees must provide sexual harassment supervisor training within six months after they become eligible under these regulations and every two years thereafter.

Easy Compliance Solution

CalBizCentral™, the source for California business and human resource compliance products, presented by the CalChamber, offers businesses a fully compliant, cost-effective training program.

The self-paced, Web-based training course helps supervisors understand what sexual harassment is and how to avoid conduct that could lead to harassment situations. Developed by legal and HR training experts, “Preventing Harassment” covers both federal and California state sexual harassment laws, and contains interactive features to engage supervisors and verify their understanding of the material.

Employers often select online training for employees because it is the least intrusive on daily workloads and is much less expensive than classroom training. A supervisor can take the training on his/her own schedule and pace, as the online course can be paused when work demands attention and picked up where left off hours or even days later.

To purchase the “Preventing Harassment” materials, visit www.CalBizCentral.com/harassment.

CalChamber Members Receive Awards for Energy Conservation Efforts

From Page 5

by 8,100 tons. UC Santa Barbara also is conserving water by installing water-free urinals and drought-resistant landscaping.

Innovations for Products or Services

These awards recognize innovations that improve energy efficiency or demand response in technological research and development, manufacturing, retailer promotions, or vendor, contractor and consultant programs.

- Finelite, Inc. Finelite has developed an LED-based personal lighting system that achieves 70 percent savings over current task lighting and reduces the need for ambient office lighting. To demonstrate the technology and spread the efficiency gains, Finelite has trained more than 1,000 professionals and built an office and factory to demonstrate its practices.

- Hewlett Packard. HP released the industry’s first line of business PCs that meet the upcoming Energy Star 4.0 hardware requirements. When properly configured, these machines can save as much as 52 percent of power use over traditional machines. HP also was the first company to enable all business PCs with S3 power management to automatically switch machines to standby during times of inactivity.

More Information

To learn more about the Flex Your Power program, visit www.fypower.org.
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