CalChamber Backs Bills to Revise Regulatory Process

The California Chamber of Commerce is supporting legislation that will enable policymakers to take a more informed role in shaping regulations that have an impact on California’s economy. SB 396 (Huff; R-Diamond Bar) and SB 400 (Dutton; R-Rancho Cucamonga) will be considered by a Senate policy committee on May 2.

- SB 396 creates an ongoing process to review old regulations and establish a process to keep regulations up to date, including analysis of costs, relevance and need for updating to become more effective or less burdensome.
- SB 400 adds specific cost and job impacts analysis and an assessment of alternatives during the process of adopting, amending or repealing a regulation.

‘Smart Regulations’

The CalChamber supports “smart regulations” that are necessary, cost-effective, fairly enforced and regularly updated to reflect changing conditions and needs.

Currently, California regulations are adopted, reviewed and approved under a system established in 1979 and only

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CalChamber Names New Policy Analyst to Focus on Energy, Housing/Land Use Issues

The California Chamber of Commerce has promoted Amy Mmagu to the position of policy analyst, assigned to track and advocate the business perspective on energy, housing and land use issues.

Since joining the CalChamber staff in 2006 as a legislative assistant, Mmagu has provided support for CalChamber policy advocates in a wide range of areas, including labor and employment, health, education, climate change, energy, and

Staff Contact: Marc Burgat

Business Summit to Feature State Legislative Analyst

Legislative Analyst Mac Taylor will be a featured morning speaker at the California Chamber of Commerce Business Summit on June 1 in Sacramento.

The day-long Summit marks its 24th anniversary this year, offering business owners, CEOs, public affairs staff, local chamber of commerce staff, board members, committee members and many more a look at current policy issues and actions needed to promote certainty for businesses in today’s uncertain economy.

Featured speakers at the Summit include Dr. Frank I. Luntz, communications expert, political pollster and bestselling author; and John S. Watson, chairman and CEO of Chevron Corporation.

Governor Jerry Brown and CalChamber Chair S. Shariq Yosufzai will be the featured speakers at the Host Breakfast, which is set for the morning after the Summit.

Mac Taylor

Taylor was appointed to the position of legislative analyst in October 2008, as the fifth person to serve in that capacity since the office was founded in 1941.

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Labor Law Corner

Construction Firms Must Maintain In-and-Out Time Sheet Records

My firm is a construction company and we have always kept time records for our employees, but not in-and-out time records for each period. The practice has been to keep total daily hours worked only. Does this comply with the law?

No, your firm is not in compliance, as in-and-out time records are required by law.

Requirements

Your firm is subject to the Industrial Welfare Commission Order No. 16-2001 Regulating Wages, Hours and Working Conditions for Certain On-Site Occupations in the Construction, Drilling, Logging and Mining Industries.

Section 6 of Order 16-2001 requires that you keep time records showing when the employee begins and ends each work period. Meal periods, split shift intervals and total daily hours shall also be recorded. Meal periods during which operations cease and authorized rest periods need not be recorded.

Penalties

Section 18 of this Wage Order provides for penalties for non-compliance. Also, keep in mind that if you will have difficulty defending a wage claim filed against you if your records are not complete and accurate. When you consider the possibility of meal period penalties, accurate in-and-out time records are extremely important!

The statute of limitations on wage-and-hour audits conducted by the state Labor Commissioner is three years.

Workers’ Comp Connection

In addition to penalties called for in the Labor Code and Wage Order, a new development has arisen that could put your firm in financial jeopardy as failure to comply with the records section of the Wage Order could cause your workers’ compensation premiums to increase.

In 2007, the Insurance Commissioner adopted an amendment to the Standard Classification System to clarify that the assignment of high-wage construction or erection classifications are contingent upon the availability of records necessary to reconcile the number of hours worked against actual time cards or time sheets documenting the daily start and stop times for each employee.

This does not create a new requirement; it merely requires compliance with Wage Order No. 16-2001.

Audits

Effective January 1, 2008, the Workers’ Compensation Insurance Rating Bureau of California began requiring audits of time records for non-salaried employees, in order to clarify the assignment of dual wage or erection classifications.

If proper time records are not maintained as required by Wage Order No. 16-2001, then your firm will be subject to higher rates imposed by your workers’ compensation insurance carrier.

These audits are now being conducted.

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.hr.california.com.

CalChamber-Sponsored Seminars/Trade Shows

More information at www.calchamber.com/events.

Business Resources


AltBuild Expo. May 6–7, Santa Monica. (310) 390-2930.


Small Business Resource Summit. U.S. Small Business Administration

Sacramento District Office. May 26, Citrus Heights. (916) 735-1700.

International Trade


World Trade Week Kickoff Breakfast. Los Angeles Area Chamber of Commerce. (See Seminars/Tradeshows: Page 4)
Encouraging Employees to Walk More Can Improve Health, Add to Bottom Line

Jennifer Slovis, M.D.

Computers, e-mail, the Internet and smart phones have revolutionized the way America does business. Compared to manual typewriters and carbon paper, or pneumatic tubes that delivered handwritten messages between floors in air-propelled capsules, today’s workplace is a technological marvel.

But that technological progress has come with a price. Today’s workforce is far more sedentary than the workforce of generations past.

Instead of walking down the hall to confer with a colleague, we send an e-mail or text message. Instead of walking to the reference shelf to look up an obscure fact or figure, we prefer to use the Internet.

The increasingly sedentary lives of our employees have produced a heavier and less healthy workforce. The combination of reduced exercise and increased weight often translates into higher health-care costs and lower productivity.

Making a Difference

America’s obesity epidemic has roots that extend far beyond our jobs, but in the workplace, owners and managers can make a difference and help turn the tide. It’s as simple as putting one foot in front of the other.

By encouraging employees to walk—on breaks, at lunch, before or after work—you can help them become more fit.

Walking outside or in the hallways, or using the stairs instead of elevators, are small efforts that make a big difference. The specific activity is not important. What matters is getting people up and moving.

As pounds drop off, overall health will improve, often including the ability to better manage chronic or uncontrolled health conditions. With improved fitness and health comes increased energy, a powerful antidote to the mid-afternoon lethargy that often leads to a slowdown in productivity.

Better Bottom Line

In terms of profit and loss, better health means a better bottom line. Unscheduled absences, studies have shown, cost employers roughly $3,600 a year per hourly employee.

Additionally, “presenteeism”—when employees are at work but not fully productive due to chronic conditions such as high blood pressure or heart disease—can potentially add between $1,600 and $3,200 to an employee’s health-care costs.

Employees are a company’s most important asset. Since they spend about 2,000 hours a year at work, it makes good business sense to help them live healthier and more active lives, which can translate into happier and more productive employees.

Walking Programs

Many community groups, churches and schools offer group walking programs. Kaiser Permanente has established a program called “Every Body Walk!” that encourages walking for better health.

The website, www.everybodywalk.org, is a reliable resource for businesses, individuals and families who want to improve their health by walking. We encourage every business to implement a strategy to incorporate exercise in the workplace.

For example, businesses can set up a walking club and encourage employees to walk during their meals and breaks.

Better yet, they can set up several clubs and promote friendly competition. They can encourage employees who can do it to walk to work, and those who can’t to park farther from the door every morning.

For employees who take mass transit, is it feasible to get off a stop or two early on their commute and walk the rest of the way?

Moderate Exercise

The “bottom line” is to make moderate exercise part of a regular routine, and realize the health benefits that come from as little as 30 minutes of walking three to four times a week. Employees do come in various shapes, sizes and physical condition, and we recommend that, before starting an exercise program, each employee check with his or her personal physician.

The benefits of participating in an exercise program extend beyond improved health and energy.

Employees who walk together develop a camaraderie they might not have experienced otherwise. That camaraderie contributes to teamwork and unity of purpose, and physical fitness brings a more positive outlook on everything we do.

Improved health, camaraderie, teamwork and a more positive outlook benefit the individual, the work unit and the business—a true win-win for all.

Dr. Jennifer Slovis practices internal medicine and is an assistant physician-in-chief at Kaiser Permanente’s Oakland Medical Center. She is active in Kaiser’s regional “Healthy Eating, Active Living” campaign (HEAL) and in “Live Well, Be Well,” the health-care provider’s internal workplace-wellness program.
Business Summit to Feature State Legislative Analyst

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In his 30-year career with the office, Taylor has served as program analyst, working in the tax area, authoring reports on state and local spending limits, tax expenditure programs and tax auditing issues.

Taylor also served as section head, managing the General Government section in the office and covering a wide variety of assignments (such as retirement, employee compensation, labor issues and housing).

For 17 years, Taylor was deputy to the previous analyst, Elizabeth Hill, overseeing the work of the K-12 education, higher education, local government, state administration, and the Economic and Taxation sections.

As legislative analyst, Taylor serves as the non-partisan fiscal adviser to both houses of the California Legislature, and oversees the preparation of annual fiscal and policy analyses of the state’s budget and programs.

His office also is responsible for preparing impartial analyses of all initiatives and constitutional measures qualifying for the state’s ballot.

Taylor earned a bachelor’s degree with highest honors in political science from the University of California, Riverside, and a master’s degree in public affairs from Princeton University. He serves on the Statewide Leadership Council of the Public Policy Institute of California.

Host Breakfast

Summit attendees have the opportunity to attend the 86th annual, invitation-only breakfast gathering. Invitees include leaders from business, agriculture, education and the military, plus international guests from the consular corps.

A committee of Sacramento business leaders hosts the annual reception and breakfast to spotlight California’s role in national and international commerce.

The goal of both events is to provide decision-making leaders in California finance, government, education, agriculture and industry an opportunity to exchange views, establish and renew friendships, and create statewide atmospheres of goodwill and understanding at the informal setting of a common table.

Business Summit

CalChamber President and CEO Allan Zaremberg will open the Summit with an overview of CalChamber priorities.

Taylor and Watson will be the featured morning speakers; Luntz will present the luncheon address.

Also scheduled during the luncheon are recognitions for local chambers receiving President’s Circle awards, the Political Partner of the Year and Small Business Advocate of the Year awards.

Optional afternoon breakout sessions will cover:

- Advocacy Boot Camp 101;
- Political Reforms: Redistricting and Top Two Open Primary;
- Human Resources Issues and Compliance Update;
- International Trade Forum.

Early Bird Deadline: April 29

Summit attendees who register by April 29 qualify for savings of at least 20 percent.

The two-day registration package, including Summit with lunch, the Host Reception and Host Breakfast, is $220 now, $275 after April 29. Other registration options are available.

UnitedHealthcare is again the major sponsor of this year’s Summit.

Online registration and more information are available at www.calchamber.com/summit.

Staff Contact: Danielle Fournier

Seminars/Trade Shows

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Labor Law


Workplace Safety

CalChamber Luncheon Speakers Spotlight Trade Partnership Opportunities with Chile

As a global leader in multiple areas, California can provide Chile with opportunities for innovation, education and economic growth, Ambassador Fernando Schmidt, Chile’s undersecretary for foreign affairs, told guests at the California Chamber of Commerce International Luncheon on April 14.

Chilean Ambassador to the United States Arturo Fermandois joined Ambassador Schmidt in expressing hopes for a successful Chile-California partnership.

Luncheon guests included Assemblymember Henry Perea (D-Fresno) and Assemblymember Joan Buchanan (D-Alamo).

Partnership Plan

Ambassador Schmidt recalled former Governor Edmund G. “Pat” Brown envisioning a Chile-California partnership in the 1960s. The ambassador listened as a child to tales of California and “the different places and marvels that adorned [the] famous state.”

The Chile-California Plan was formed in June 2008 when then-Chile President Michelle Bachelet Jeria signed a memorandum of understanding with former Governor Arnold Schwarzenegger. That ceremony marked the start of a program called “Chile-California Plan: A Strategic Association for the 21st Century.”

The association is based on the joint commitment of Chile and California to develop business opportunities, expand research and teaching in education, and develop projects in different areas that are strategic for both territories: human capital, education in environmental issues, renewable energies, entrepreneurship and innovation, seismology, astronomy, information technologies, biotechnology, education, culture, agriculture, green initiatives, tourism, motion picture industry, water resource management, infrastructure, and scholarships for internships and college/university studies.

Chile-California Council Holds First Working Session

The Chile-California Council met in San Francisco on April 16 for its first working session.

The 25 individuals on the council are from Chile and California representing business, government, academia, the arts, education and science.

The all-day session was opened by Ambassador Fernando Schmidt, Chile’s undersecretary for foreign affairs, and the Chilean Ambassador to the United States, Arturo Fermandois. Agustin Huneeus of Quintessa Winery serves as council chair. Susanne Stirling, California Chamber of Commerce vice president of international affairs, also is a council member.

Chile and California have rich histories and much in common. They share anecdotes of fortune and poverty caused by the Gold Rush. They are natural partners due to geographical similarities, reverse agricultural seasons, and location along the Pacific Rim.

A shared history of cooperation has existed since the 1960s and 1970s within the framework of the Alliance for Progress initiated by the United States. Replacing the assistance model with partnership, both have launched the plan: Chile-California, a strategic association for the 21st Century.

The three key initiatives are development of human capital, increase in trade and investment opportunities, and promotion of research and development.

The most effective areas for cooperation will be: renewable energies, entrepreneurship and innovation, seismology, astronomy, information technologies, biotechnology, education, culture, agriculture, green initiatives, tourism, motion picture industry, water resource management, infrastructure, and scholarships for internships and college/university studies.
CalChamber Backs Bills to Revise Regulatory Process

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modestly changed thereafter. Since 1979, the Legislature has granted massive new powers to government agencies and there has been exponential growth in regulations concerning every aspect of the economy, mostly outside the control or even awareness of elected officials.

Specifically, CalChamber supports improvements which will provide an enhanced role for the Legislature in review and oversight of regulations, independent analysis of the economic impact of regulations and legislation, and an ongoing regulatory review process that will lead to the reform or elimination of ineffective and excessively burdensome regulations.

California prides itself on being innovative and forward thinking—the state wants to lead the nation on environmental and social policies. While achieving those goals, California should also adopt bold and creative approaches to maintain a favorable regulatory climate.

Both SB 396 and SB 400 would require agencies to conduct transparent processes, to understand significant economic and other impacts, to find ways to achieve compliance at lowest cost, and to update regulations in response to new information and conditions.

The result would be a fair and predictable regulatory climate that will encourage employers to hire workers and make new investments in California.

CalChamber also agrees that the Office of Administrative Law (OAL) should have a more meaningful role to reject and require improvement for assessments that are not completed based on sound economic knowledge, methods and practices.

Two Regulatory Proposals Move

Both SB 560 (Wright; D-Inglewood) and SB 688 (Wright; D-Inglewood) passed the Senate Governmental Organization Committee on April 26.

- SB 560 ensures that a regulation will not be enforced unless compliance is possible with commercially available technologies, and that a finding by an agency that there will be no cost impacts is accompanied by a statement describing a compliance pathway with no costs.

- SB 688 postpones the effective dates of major regulations and provides information to the fiscal committees of the Legislature to allow sufficient time for legislative review and perhaps action related to the agency authority to enact the regulation. CalChamber believes this will enhance legislative oversight of agencies and their regulations.

Key Votes

Both SB 560 and SB 688 passed the Senate Governmental Organization Committee and continue to move through the legislative process.

- SB 560 passed the committee with bipartisan support, 10-1, on April 26.
  
  **Ayes:** Anderson (R-El Cajon), Berryhill (R-Modesto), Cannella (R-Ceres), de León (D-Los Angeles), Hernandez (D-West Covina), Padilla (D-Pacoima), Strickland (R-Thousand Oaks), Wright (D-Inglewood), Wyland (R-Escondido), Yee (D-San Francisco).
  
  **Noes:** Corbett (D-San Leandro). No vote recorded: Calderon (D-Montebello), Evans (D-Santa Rosa).

- SB 688 also passed the committee with bipartisan support on April 26, 8-1.
  
  **Ayes:** Anderson (R-El Cajon), Berryhill (R-Modesto), Cannella (R-Ceres) Hernandez (D-West Covina), Padilla (D-Pacoima), Strickland (R-Thousand Oaks), Wright (D-Inglewood), Wyland (R-Escondido).
  
  **Noes:** Yee (D-San Francisco). No vote recorded: Calderon (D-Montebello), Corbett (D-San Leandro), de León (D-Los Angeles), Evans (D-Santa Rosa).

Action Needed

SB 396 and SB 400 will be considered by the Senate Environmental Quality Committee on May 2. Contact your senators and urge them to support SB 396 and SB 400.

Staff Contact: Marc Burgat

Marc Burgat, CalChamber vice president of government relations, leads CalChamber advocacy on regulatory reform.
The costs for these mandates alone will overwhelm businesses in California that already are struggling to survive in this economy.

**Increases Employer’s Risk**

In addition to increasing business expenses and potentially resulting in job losses, AB 400 will also dramatically increase an employer’s risk for legal fees and costs. AB 400 creates a private right of action for employees to sue for any alleged violation with the right to recover back wages, liquidated damages, withheld sick days, attorney fees, reinstatement, and injunctive relief.

In addition, AB 400 creates a rebuttable presumption of retaliation. Specifically, under AB 400 it will be presumed that an employer retaliated against an employee if the employer takes any corrective action within 90 days of an employee’s complaint or opposition to an employer’s practice or policy regarding mandated paid sick leave. AB 400 also imposes penalties against an employer for failure to post the required notices, as well as maintain records regarding employees’ accrued sick leave.

California recently was rated one of the top 10 litigious states in the nation.

AB 400 will emphasize that point with the various vehicles for litigation it creates.

**Costly Mandate**

California has the second highest unemployment rate in the nation at 12.2 percent, and is lagging the rest of the country in recovering from the recession. With this dismal financial outlook, California cannot afford to continue to burden private businesses with costly mandates such as AB 400. Private sector growth, a critical component in California’s economic recovery, will be discouraged by AB 400.

**Key Vote**

AB 400 passed Assembly Judiciary on April 26 on a vote of 6-3.

* Ayes: Atkins (D-South Park/Golden Hill), Dickinson (D-Woodlake), Feuer (D-Los Angeles), Huffman (D-San Rafael), Monning (D-Carmel), Wieckowski (D-Fremont).

* Noes: Huber (D-El Dorado Hills), Jones (R-Santee), Wagner (R-Irvine)

Absent/abstaining/not voting: Gorell (R-Camarillo).

The bill will be considered next by the Assembly Appropriations Committee.

**Staff Contact:** Jennifer Barrera

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**Trade Overview**

Since the U.S.-Chile Free Trade Agreement was implemented in January 2004, bilateral trade between Chile and the U.S. has doubled. Chile has the most stable and fastest growing economy in the region, with renowned copper mines and a population of 17 million people.

According to the American Chamber of Commerce in Chile, more than 300 U.S. companies have investments in Chile, with more than 40 of them using Chile as a platform for services in the region. Chilean affiliates of U.S. direct investors are estimated to employ more than 58,500 people and their value-added contributed 3.2 percent to Chile’s gross domestic product.

**Staff Contact:** Susanne Stirling
Register for Our Webinar on How to Hire Employees and Reduce Liability

Handling all the tasks required in bringing on a new employee can be challenging, but you can break down the hiring process into several manageable steps. This webinar is an essential starting point for any business hiring employees, and an excellent refresher course for experienced hiring professionals.

Our employment law experts will cover:
• How to effectively advertise open positions;
• How to avoid discrimination;
• What types of interview questions to avoid;
• How to maintain employees’ at-will status;
• Best practices and pitfalls of testing employees, background checks and references.

Thursday, May 12, 10 a.m.–11:30 a.m. PST | $189*
*$151.20 for CalChamber Preferred and Executive Members (20% Discount)

TO REGISTER go to www.calchamberstore.com or call (800) 331-8877.