

ALERT

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CalChamber-Opposed Bills Get Signatures, Win Vetoes



OPPOSE

other bills.

Signed

Bills signed included:

• **AB 1897 (R. Hernández; D-West Covina) Contractor Liability.** Unfairly imposes liability on a contracting entity for the contractor's wage and hour violations and lack of workers' compensation coverage despite the lack of any evidence that the contracting entity controlled the working conditions or wages of the contractor's employees.

• **AB 2617 (Weber; D-San Diego) Interference with Arbitration Agreements and Settlement Agreements.** Unfairly prohibits the enforcement of arbitration agreements or pre-litigation

Legislation strongly **opposed** by the California Chamber of Commerce has been signed by the Governor, who also agreed with CalChamber opposition in vetoing

settlement agreements that require the individual to waive their right to pursue a civil action for the alleged violation of civil rights.

• **AB 1792 (Gomez; D-Los Angeles) Publicly Shames Employers.** Unfairly targets the largest employers in California who have more than 100 employees enrolled in Medi-Cal for inclusion in an online list, exposing them to liability, public protests and media attacks, without regard to the rising cost of health care and other factors that often make health care coverage prohibitively expensive for employers.

Vetoed

Vetoed bills would have opened franchise contracts to litigation, interfered with private contracts, denied due process for agricultural employers, increased workers' compensation costs for hospitals, and created an unworkable permitting system for hazardous waste facilities.

Franchisors

• **Expansion of Litigation for Franchisors**
See CalChamber-Opposed: Page 15

Governor Signs CalChamber-Supported Education Bills



SUPPORT

Governor Edmund G. Brown Jr. has signed a number of California Chamber of Commerce-**supported** bills that will encourage more students to

enroll in computer science courses, and that will help ease the bachelor's degree shortage California faces by allowing some community colleges to offer bachelor's degree programs.

Computer Science Education

Computer science involves the study of computers and algorithmic processes, their principles, their hardware, their applications, and their impact on society. The subject is applicable to careers in manufacturing, health care, retail, the arts, and financial services.

In fact, according to *Code.org*, more than 70% of careers involving computing skills fall outside of the information technology industry, and the U.S. Bureau of Labor Statistics estimates that one of every two science, technology, engineering and mathematics (STEM) jobs in the country in the coming decades will be in computing occupations, representing more than 150,000 new job openings

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Job Creators Signed



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Job Killers Defeated

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Labor Law Corner

Different Policies for Different Departments Sometimes Acceptable



Ellen S. Savage
HR Adviser

Our company wants to create different policies for different departments within the company, such as requiring professional business attire for our office employees but allowing warehouse employees to wear jeans. Can we treat departments differently?

Creating different policies for different job titles or departments can be an acceptable practice in some circumstances. While there is always a concern about discrimination in the workplace, discrimination occurs only when employees are treated differently on the basis of one or more protected classes (e.g. race, gender, or national origin), or when a policy that may seem neutral actually has an adverse impact on a protected class.

Business Justification

Establishing a different dress code for office versus warehouse workers is based on a legitimate business justification—maintaining a professional appearance in an environment where customers interact with employees, versus a less professional dress code where workers will be packing and shipping boxes, driving forklifts, etc. Because the different dress codes are based on a legitimate business justification, rather than any protected class, they would not be discriminatory.

Before creating different policies for different groups of employees, it is important to consider whether there will be any unintended adverse impact on a protected class. Once your policies are in place, be sure you are consistently enforcing them across the department or job title to which they apply.

Examples

Some other examples of situations where different treatment would not constitute discrimination are:

- **Seniority:** Most employers provide more vacation, sick leave or other time-off benefits to employees as they accrue more seniority with the company.

For example, employees may earn only one week of vacation during their first three years with a company, then earn two weeks of vacation after that. Although this is undoubtedly different treatment of different employees, because it is based on length of service with the company—rather than being based on any protected class—it is not illegal discrimination.

- **Location:** Employers may establish different policies for employees based on the location in which they work.

For example, an employer may provide public transportation passes to

employees in a busy city location where parking is scarce, while not providing the same benefit to employees who work in another location where free nearby street parking is ample.

Similarly, there is no discrimination when employers pay higher wages to employees in cities such as San Francisco or San Jose (where a higher minimum wage is legally mandated by local ordinance) than they pay to their employees in other cities.

- **Position within the company:** It is not uncommon for a company to treat managers differently than it treats rank-and-file employees. A manager may have more flexibility in setting his or her own hours, or perhaps have an assigned parking space or a longer lunch break.

Because these perks come with the management position, and are not denied to the rank-and-file employees based on any of the categories protected by law, there is no discrimination.

- **Disability or Religious Accommodation:** An employee who has a disability may be allowed to work from home as a reasonable accommodation.

Other employees may want to work from home as well, and argue that it's discrimination if you don't allow it. However, treating employees differently based on the legal obligation to accommodate a disability is not discrimination, and there would be no violation of the law by denying a request by an employee without a disability to work from home.

The same logic would apply where you allow an employee to take Sundays off to accommodate her/his religious beliefs, but require other employees to work on Sundays.

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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Overview of November Ballot Measures

Following are brief summaries of the measures that will appear on the November General Election ballot. When the California Chamber of Commerce has taken a position, the reasons for that position are summarized.

The CalChamber encourages employers to share this information with their employees. Businesses are within their

rights to do so—just remember: NO PAYCHECK STUFFERS, no coercion, no rewarding or punishing employees (or threatening to do so) for their political activities or beliefs.

For more guidelines on political communications to employees, see the brochure at www.calchamber.com/guidelines. Note the distinction between

internal communications (to employees, stockholders, and their families) and communications to *external* audiences (such as nonstockholder retirees, outside vendors, customers and passersby).

For more information on the ballot measures, see the links listed below or visit the website of the secretary of state at www.sos.ca.gov.

Proposition 1



The Water Quality, Supply and Infrastructure Improvement Act of 2014.

California's economy depends on a reliable water supply. Proposition 1 secures California's water future, keeps family farms and businesses productive, and puts Californians to work building the new facilities needed to store, deliver and treat water with a \$7.5 billion bond.

Placed on the Ballot by: AB 1471 Rendon (D-Lakewood; Chapter 188, Statutes of 2014).

CalChamber Position: Support

Reasons for Position

California is in a severe, multi-year drought and has an aging water infrastructure. Proposition 1 creates a comprehensive state water plan that ensures a reliable water supply for farms and businesses during severe drought, protecting both the economy and the environment.

Proposition 1 provides monies to clean

contaminated groundwater which serves as a critical buffer against drought by providing additional water in years when there is not enough rainfall or snow. Proposition 1 also expands water recycling and efficiency improvements making the best use of the state's existing supplies. In addition, the measure provides funding for clean drinking water in communities where water is contaminated.

Proposition 1 invests in new water storage by increasing the amount of water that can be stored during wet years for the dry years that will continue to challenge California. The \$7.5 billion bond plan includes \$2.7 billion for water storage projects.

The measure will help protect California's rivers, lakes and streams from pollution and contamination and provides for the restoration of our fish and wildlife resources.

More Information:
www.yesonprops1and2.com

Proposition 2



State Budget. Budget Stabilization Account. Legislative Constitutional Amendment.

Proposition 2 amends the State Constitution to strengthen the requirement for a budget reserve and to pay down budget-related debt. Proposition 2 would increase the size of the state's "rainy day" reserve from \$8 billion to \$11 billion, and would require minimum annual contributions into that reserve of \$800 million—and even more if capital gains revenues to the treasury are strong. The measure would also require that extra revenues be devoted in part to reducing budget debt, repaying funds borrowed from local school districts, or used for investment in

new infrastructure or reducing long-term pension liabilities.

Placed on the Ballot by: ACAX2 1 of 2014 (J. A. Pérez; D-Los Angeles)

CalChamber Position: Support. CalChamber President and CEO Allan Zaremberg signed ballot arguments in support of the measure.

Reasons for Position

Placed on the ballot with bipartisan support, Proposition 2 forces the state to save money and requires politicians to live within their means and protect against

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Proposition 2

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unnecessary tax increases. In good times, money will be placed in a constitutionally protected reserve and used to pay down debt. In bad times, the Rainy Day Fund can be used to protect schools, public safety and other vital services.

Proposition 2 prevents the state from spending more than it can afford. Only three years ago, California faced a \$26 billion budget deficit that required the Legislature to make painful cuts and voters to approve temporary tax increases. Proposition 2 will ensure that California does not repeat this cycle of boom and bust budgeting.

Without a strong Rainy Day Fund and

continued fiscal restraint, the state will face future deficits and could be forced to cut funding for schools, public safety and other critical services. That is why every Democrat and Republican in the Legislature voted to support Proposition 2.

CalChamber's Zarembek joined Governor Edmund G. Brown Jr. and Assembly Speaker Emeritus John A. Pérez in signing the ballot arguments in support of Proposition 2.

More Information:

www.CaliforniaRainyDayFund.com

See also **Proposition 2 FAQs** at www.calchamber.com/Prop2-FAQ

Proposition 45



Healthcare Insurance. Rate Changes. Initiative Statute.

This measure requires the Insurance Commissioner (the Commissioner) to approve rates for all health insurance coverage before it can be sold to consumers.

Placed on the Ballot by: Petition Signatures

CalChamber Position: Oppose.

CalChamber President and CEO Allan Zarembek signed ballot arguments.

Reasons for Position

Proposition 45 gives sweeping control over health care coverage rates to one elected politician—the Commissioner. The measure defines “rate” broadly, meaning the Commissioner would have authority to reject or modify more than just health care premium rates. It could also reject proposed co-payment amounts, deductibles, benefit offerings, and more. Some have argued this could undermine efforts by California’s health exchange, Covered California, to make sure health coverage offered to individuals and small businesses is a good value, not just inexpensive.

Since 2004, the Legislature has tried and failed to pass five different bills that would have created a complete and regulated rate approval process for health insurance and added implementation fees on health insurers to pay for it. While these measures have all failed, the Legislature did approve a proposal in 2011 expanding the state’s ability to review health care rates, and also established Covered California, a commission

responsible for negotiating health plan rates on behalf of consumers and rejecting health plans if they’re too expensive.

Proposition 45 would unnecessarily create a new layer of bureaucracy, duplicating work already being done by Covered California and other state agencies, causing costly confusion and adding more red tape to the health care system. The nonpartisan Legislative Analyst’s Office projects the measure could increase state administrative costs tens of millions of dollars per year — costs that ultimately will be paid by consumers.

Rate regulation also fails to take into account the major causes of rising medical care costs. As these underlying costs continue to rise, artificially suppressing premiums could ultimately lead to the need for higher premiums or a reduction in benefits over the long run. Instead of solving the problem of the rising cost of health care, rate regulation will lead to delays and limit choices by creating a costly new system that will slow the process of bringing affordable choices to market for consumers.

Proposition 45 is sponsored by special interest lawyers who included a hidden provision allowing them to charge up to \$675/hour and make tens of millions in fees from costly health care lawsuits. The proponents have made more than \$14 million off a similar provision in the last ballot measure they bankrolled (Proposition 103 in 1988) — costs that were ultimately paid by consumers.

More Information:

www.stophighercosts.org

Proposition 46



Drug and Alcohol Testing Of Doctors. Medical Negligence Lawsuits. Initiative Statute.

Sponsored by trial lawyers, the measure seeks to increase the cap on noneconomic damages for medical malpractice lawsuits. Proponents sweetened the measure by also proposing new random drug testing requirements on physicians and requiring health care providers to consult an electronic database regarding patient prescriptions before issuing any new prescriptions.

Placed on the Ballot by: Petition Signatures

CalChamber Position: Oppose

Reasons for Position

California’s liability limits for medical malpractice awards for noneconomic damages (“pain and suffering”) have been in effect since 1975, when the Legislature responded to a crisis of availability and affordability of malpractice insurance. Californians have benefited from these limits in better access to health care since doctors can afford malpractice insurance. In addition, lower cost of malpractice is one area where California health care costs are lower than the rest of the nation.

Proposition 46 would quadruple the limit on medical malpractice awards in California, which will cost consumers and taxpayers hundreds of millions of dollars every year in higher health care costs, and cause many doctors and other medical care professionals to quit their

practice or move to other states with lower medical malpractice insurance premiums .

The primary beneficiary of these higher malpractice awards would be the medical malpractice trial bar, which would be incentivized to file more lawsuits and pursue higher damage awards.

The electronic prescription drug database—which is not yet even operational and proven—will be controlled by the state government. Since the database has not yet demonstrated its data security to date, this measure could threaten individuals’ privacy by requiring a massive expansion of the use of a personal prescription drug database.

The measure also would require alcohol and drug testing of doctors, which was included in this initiative to distract from the main purpose: to quadruple the limit of awards that the state allows for medical malpractice lawsuits.

If medical malpractice awards go up, health insurance companies will raise their rates to cover their increased costs. When health care insurance companies raise their rates, Californians pay more in health care premiums, and fewer doctors and other medical providers can afford to serve Californians.

Far outweighing any benefits are the consequences of Proposition 46: higher costs of health care, higher taxes, lost access to doctors, loss of privacy, and risk that personal prescription drug history will be compromised.

More Information:
www.NoOn46.com

Proposition 47



Criminal Sentences. Misdemeanor Penalties. Initiative Statute.

Proposition 47 reduces penalties for certain offenders convicted of nonserious and nonviolent property and drug crimes. The measure also allows certain offenders who previously have been convicted of such crimes to apply for reduced sentences.

Placed on the Ballot by: Petition Signatures

CalChamber Position: Oppose

Reasons for Position

CalChamber is joining the California Police Chiefs Association and the

California District Attorneys Association in opposition to Proposition 47. Proponents say that Proposition 47 will generate hundreds of millions of dollars in savings annually for the criminal justice system through the incarceration of fewer nonviolent offenders. In reality, however, Proposition 47 is a dangerous and radical package of ill-conceived policies wrapped in a poorly drafted initiative, which will endanger Californians.

California law gives law enforcement and prosecutors the discretion to charge certain crimes as either a felony or a misdemeanor. These crimes are known as “wobblers.” The sentencing decision on

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Proposition 47

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wobblers is left to the court, with the court's decision generally based on the specific circumstances of the crime and the criminal history of the offender.

California has plenty of laws and programs that allow judges and prosecutors to keep first-time, low-level offenders out of jail if it is appropriate. Proposition 47 would strip judges and prosecutors of that discretion.

Removing this discretion is especially dangerous for California businesses because shoplifting, theft, forgery and fraud—where the value of the stolen goods or forged documents is less than \$950—would be misdemeanors.

The language of the measure suggests that even if a person forges multiple documents whose total value exceeds \$950, the person could be charged only with a misdemeanor. As a result, reducing penalties for theft, receiving stolen property and forgery could cost businesses and consumers millions of dollars.

San Mateo County District Attorney Steve Wagstaffe put it succinctly when he told the *San Jose Mercury News*, "Someone can commit petty theft 10,000 times and we'd still have to always charge it as a misdemeanor."

In addition, Proposition 47 will further burden California's judicial system, jamming the courts with hearings to provide "Get Out of Prison Free" cards. Although companies may not really think about the role of the courts until embroiled in a dispute, access to the court system is critically important to business operations. Companies large and small need to have disputes resolved quickly so they can get back to doing what they do best—creating and selling products and services.

More Information:

www.californiapolicechiefs.org/proposition-47

Proposition 48

NO POSITION

Indian Gaming Compacts. Referendum.

A "yes" vote approves, and a "no" vote rejects, tribal gaming compacts between the state and the North Fork Rancheria of Mono Indians and the Wiyot Tribe. Certain projects related to executing the compacts or amendments to the compacts are omitted from the scope of the California Environmental Quality Act.

Placed on the Ballot by: Petition Signatures

CalChamber Position: No Position

Ballot Arguments For

Proposition 48 will help create thousands of jobs, generate state and local revenues, respect local control and protect scenic wildlife areas by affirming two compacts negotiated by the Governor and ratified by a bipartisan majority of the Legislature. The compacts allow a single project on Indian land in the Central Valley that will generate business opportunities and economic growth in high unemployment areas. Revenues will be shared with nongaming tribes and tribal self-suffi-

ciency will be promoted while potential development in environmentally sensitive regions will be avoided. Governor Edmund G. Brown Jr. signed the ballot argument in favor of Proposition 48.

More Information: www.VoteYes48.com

Ballot Arguments Against

Voting no will keep Indian gaming on tribal reservation land only. When Californians approved Indian gaming, they were told a limited number of casinos would be built on the tribes' original reservation land. Instead, the gaming compact would allow the North Fork Tribe to build an off-reservation, Vegas-style casino more than an hour's drive from the tribe's established reservation land, closer to major freeways and Central Valley communities. It would start a wave of casino projects across California.

More Information:

www.stopreservationshopping.com

Final Status Report on Major Business Bills

The following list summarizes the final status of priority bills for the California Chamber of Commerce that were sent to the Governor this year, as well as federal action on the Ex-Im Bank.

The CalChamber will publish a record

of legislators' votes on key bills affecting the California business climate on October 17. Generally, the bills selected for the vote record have appeared in one of the status reports.

Bills signed by the Governor will

become law on January 1, 2015. Urgency measures went into effect immediately upon being signed.

Federal bills are marked with an *.

Status of bills as of October 1, 2014.

Subject—CalChamber Position	Status
Agriculture and Natural Resources	
Due Process for Agricultural Employers. SB 25 (Steinberg; D-Sacramento) Denies due process for agricultural employers by requiring employer to implement collective bargaining contract ordered by the Agricultural Labor Relations Board while appealing the order, unless the employer meets a high standard to win a stay. Oppose.	Vetoed
Extend Sunset Date. AB 2075 (Alejo; D-Salinas) Fosters economic growth in the retail, fashion and design industries by extending the sunset on imports of certain reptile skins to January 2025. Support.	Signed—Chapter 464
Penalties. AB 1722 (Bigelow; R-O’Neals) Deters livestock theft by imposing a \$1,000 per head fine and prohibiting a violator from registering a brand. Support.	Signed—Chapter 129
New Requirements. SB 1087 (Monning; D-Carmel) Before amendments, expanded the requirements and increased the cost of a farm labor contractor’s license. Unfairly made public the content of a contract for labor between a grower and a farm labor contractor. Opposition removed due to 5/27/14 amendments. Neutral.	Signed—Chapter 750
Banking/Finance	
Uniform Commercial Code Amendments. AB 1858 (Perea; D-Fresno) Minimizes current documentation needed to verify the identity of a business borrower by allowing use of an alternative means of identification in a commercial lending transaction that is common practice in 37 other states. Support.	Signed—Chapter 284
Technology. AB 2209 (Dickinson; D-Sacramento) Accommodates use of new technologies and the movement toward online and mobile apps for the transmittal of funds by updating the Money Transmitters Act. Support.	Signed—Chapter 499
Property Titles. AB 1698 (Wagner; R-Irvine) Before amendments, inappropriately punished and stripped the rights of innocent third parties who finance or purchase real property and later discover that the underlying documents are false. Opposition removed due to 5/28/14 amendments. No Position.	Signed—Chapter 455
California Environmental Quality Act (CEQA)	
Substantial Expansion of CEQA. AB 52 (Gatto; D-Los Angeles) Before amendments, created substantially more opportunities for CEQA litigation and gave Native American Tribes veto authority over land use projects by allowing tribes to determine what tribal resources required protection and mitigation under CEQA. Opposition and “job killer” status removed due to 8/22/14 amendments. No Position/ Former Job Killer.	Signed—Chapter 532
Expedites and Reduces Cost for Infill Development. SB 674 (Corbett; D-San Leandro) Streamlines infill development by expanding the variety of mixed-use developments that may qualify for CEQA’s infill exemption. Support.	Signed—Chapter 549

Subject—CalChamber Position	Status
<p>Costly New CEQA Requirement. AB 543 (Campos; D-San Jose) Before amendments, increased the cost and burden of development, and exposed lead agencies and project proponents to new lawsuits by requiring them to translate CEQA notices into all languages spoken by 25% or more of the individuals located at or near an area of the proposed project. Opposition removed due to 6/18/14 amendments. No Position.</p>	Vetoed
<h2 style="color: red;">Climate Change</h2>	
<p>Premature AB 32 Auction Revenue Expenditures. SB 1204 (Lara; D-Bell Gardens) Prematurely allocates auction revenues to fund zero and near-zero emission truck and bus technologies. Oppose.</p>	Signed—Chapter 524
<p>Premature AB 32 Auction Revenue Expenditures. AB 1447 (Waldron; R-Escondido) Prematurely authorizes AB 32 auction revenues to be used to fund the synchronization of traffic lights. Oppose.</p>	Signed—Chapter 594
<p>Expensive Regulatory Burdens. SB 605 (Lara; D-Huntington Park/Long Beach) Before amendments, created regulatory burdens and increased the cost of doing business in California by directing the California Air Resources Board to create a new program to regulate short-lived climate pollutants. Opposition removed due to 8/29/14 amendments. No Position.</p>	Signed—Chapter 523
<h2 style="color: red;">Corporate Governance</h2>	
<p>State Business Climate. AB 2221 (Campos; D-San Jose) Streamlines the business filing process by establishing a council whose purpose is to provide businesses with points of contact for concerns or suggested innovations. Support.</p>	Vetoed
<p>Reduces Filing Costs for California Businesses. SB 1041 (Jackson; D-Santa Barbara) Simplifies and clarifies business and other filing processes with the California Secretary of State. Support.</p>	Signed—Chapter 834
<h2 style="color: red;">Economic Development/Local Government</h2>	
<p>Local Economic Development Projects. AB 2280 (Alejo; D-Salinas) Encourages local economic growth by permitting certain local agencies to create a Community Revitalization and Investment Authority for the purpose of developing and financing infrastructure projects, affordable housing and economic revitalization projects. Support.</p>	Vetoed
<h2 style="color: red;">Education</h2>	
<p>New Degree Programs. SB 850 (Block; D-San Diego) Establishes a pilot program in the California Community College System allowing the Chancellor to select certain community colleges to each offer a single bachelor's degree program in a subject area related to an unmet workforce need in its local community that does not overlap with any degree programs offered at nearby postsecondary institutions. Support.</p>	Signed—Chapter 747
<p>Promotes Computer Science Education. AB 1764 (Olsen; R-Modesto) Creates an incentive for more students to take a computer science course in high school by making it possible for a school district to count such a course as a math course that meets one of the student's graduation requirements. Support.</p>	Signed—Chapter 888
<p>Promotes Computer Science Education. SB 1200 (Padilla; D-Pacoima) Creates an incentive for more students to take a computer science course in high school by requesting that the University of California and California State Universities establish guidelines for high school computer science courses that would satisfy the "a-g" subject requirements for the area of mathematics for the purposes of undergraduate admissions at both institutions. Support.</p>	Signed—Chapter 518

Subject—CalChamber Position	Status
Promotes Computer Science Education. AB 1539 (Hagman; R-Chino Hills) Ensures that computer science courses will be rigorous by requiring the State Board of Education to adopt content standards to provide guidance for teaching computer science in grades 7-12 to be used by schools that choose to teach this important subject. Support.	Signed—Chapter 876
Promotes Computer Science Education. ACR 108 (Wagner; R-Irvine) Draws attention to the importance of computer science education and demonstrates the state’s commitment to a growing sector of our economy by designating the week of December 8, 2014 as Computer Science Education Week. Support.	Resolution Chapter 42
Elections and Fair Political Practices	
Ballot Initiative Reform. SB 1253 (Steinberg; D-Sacramento) Improves ballot initiative access and transparency for voters through incremental reforms. Support.	Signed—Chapter 697
Energy	
Electric Vehicle Charging Stations. AB 2565 (Muratsuchi; D-Torrance) Before amendments, created unnecessary operational issues for installing electric vehicle charging stations at commercial and apartment properties. Opposition removed due to 5/27/14 amendments. No Position.	Signed—Chapter 529
Environmental Regulation	
Creates Unworkable Permitting System for Hazardous Waste Facilities. SB 812 (de León; D-Los Angeles) Fundamentally undermines the Department of Toxic Substances Control’s recently proposed plan to issue protective and timely hazardous waste permits by creating extraordinarily aggressive and arbitrary permit processing timelines. Oppose.	Vetoed
Imposes New Labeling Requirements on Businesses. SB 1019 (Leno; D-San Francisco) Mandates burdensome new product labeling requirements for manufacturers of upholstered furniture, which lack scientific justification, conflict with existing California consumer product and safety laws and regulations, and mislead consumers. Oppose.	Signed—Chapter 862
Gaming/Alcohol	
Discounts/Coupons. AB 1928 (Bocanegra; D-Pacoima) Reduces fraud by limiting certain instant coupons offered by a beer manufacturer or beer and wine wholesaler. Support.	Signed—Chapter 145
Health	
Publicly Shames Employers. AB 1792 (Gomez; D-Los Angeles) Unfairly targets the largest employers in California who have more than 100 employees enrolled in Medi-Cal for inclusion in an online list, exposing them to liability, public protests and media attacks, without regard to the rising cost of health care and other factors that often make health care coverage prohibitively expensive for employers. Oppose.	Signed—Chapter 889
Interference with Private Contracts. SB 1094 (Lara; D-Huntington Park/Long Beach) Inappropriately interferes with the ability of successful health facilities operators to purchase or merge with struggling hospitals, increasing the risk and cost of financing for these transactions, by allowing the California Attorney General to retroactively amend the terms of the transfer agreement for up to five years rather than resorting to traditional remedies when she unilaterally determined that one of the parties has breached the contract or made material misrepresentations. Oppose.	Vetoed

Subject—CalChamber Position	Status
<p>Small Employer Coverage. SB 1446 (DeSaulnier; D-Concord) Helps small employers control their health care costs by allowing them to extend their pre-Affordable Care Act health care policies through December 31, 2015. Support.</p>	Signed—Chapter 84 (Urgency)
<p>Health Care Clarification for Employers. SB 1034 (Monning; D-Carmel) Eliminates confusion for employers by deleting certain provisions of California law related to waiting period limitations for health care coverage and clarifying that employer-imposed waiting periods are governed by federal law. Support.</p>	Signed—Chapter 195
<p>Dental Coverage. AB 1962 (Skinner; D-Berkeley) Inappropriately assumes the outcome of the examination of dental plan premiums it requires, which could lead to unnecessary and detrimental regulation of the most affordable plans. Oppose Unless Amended.</p>	Signed—Chapter 567
<p>Health Care Mandate. SB 1053 (Mitchell; D-Los Angeles) Before amendments, drove health care premiums up by requiring health plans to cover all Food and Drug Administration-approved female contraceptive drugs, devices and procedures, without a co-pay, and limited the ability of health plans to use medical management strategies to control costs. Opposition removed due to 8/18/14 amendments. No Position.</p>	Signed—Chapter 576
<p>Unnecessary Oversight of Health Plans. SB 1182 (Leno; D-San Francisco) Before amendments, imposed unnecessary new administrative burdens on health plans and insurers by requiring them to file rate information about proposed large group rate increases exceeding 5% with their departments 60 days prior to any rate increase, and to annually disclose aggregate data about all large group rate filings and make that information available to certain purchasers for free upon request. Opposition removed due to 8/27/14 amendments. No Position.</p>	Signed—Chapter 577
<p>Immigration</p>	
<p>Provides Employer Certainty. AB 1660 (Alejo; D-Salinas) Clarifies that employers do not violate California law regarding discrimination against employees with driver licenses that note they are not documented citizens, if an employer must take action in compliance with federal immigration law. Support.</p>	Signed—Chapter 452
<p>Industrial Safety and Health</p>	
<p>Email Reporting. AB 326 (Morrell; R-Rancho Cucamonga) Facilitates ease of compliance for employers by allowing email or telephone reporting when a work-related hospitalization or fatality has occurred that is subject to immediate reporting to Cal/OSHA. Support.</p>	Signed—Chapter 91
<p>Increased Costs for Citation Appeal Process. AB 1634 (Skinner; D-Berkeley) Before amendments, proposed a costly double-appeal process that presumed guilt for employers, undermined due process with regards to citations for workplace safety violations, and was unnecessary in light of recently adopted regulations for an expedited appeals process for these situations. Opposition removed due to 8/21/14 amendments. No Position.</p>	Signed—Chapter 497
<p>Unjustified Disclosure of Customer Information. SB 193 (Monning; D-Carmel) Before amendments, increased administrative burdens on business and jeopardized confidentiality of sensitive customer information by allowing Cal/OSHA and its sister agency Hazard Evaluation System and Information Service to obtain customer lists of certain chemicals from manufacturers, formulators, suppliers, and distributors. Opposition removed due to 8/14/14 amendments. No Position.</p>	Signed—Chapter 830

Subject—CalChamber Position	Status
International Relations/Trade	
Terrorism Risk Insurance (TRIA) Extension. AJR 34 (Cooley; D-Rancho Cordova) Urges Congress to extend the Terrorism Risk Insurance Program for U.S. economic stability and continuity following a terrorist attack. Support.	Resolution Chapter 28
Enables U.S. Exports. AJR 37 (Muratsuchi; D-Torrance) Urges Congressional reauthorization of the Export-Import (Ex-Im) Bank, thereby enabling U.S. companies — large and small — to turn export opportunities into real sales that help to maintain and create U.S. jobs and contribute to a stronger national economy. Support.	Resolution Chapter 72
* Export-Import Bank. Extends Ex-Im Bank funding, now due to expire June 30, 2015 instead of September 30, 2014 following recent action by Congress and President. Ex-Im is the official U.S. export credit agency and assists in financing the export of U.S. goods and services to international markets. Support.	Pending in Congress
Labor and Employment	
Contractor Liability. AB 1897 (R. Hernández; D-West Covina) Unfairly imposes liability on a contracting entity for the contractor’s wage and hour violations and lack of workers’ compensation coverage despite the lack of any evidence that the contracting entity controlled the working conditions or wages of the contractor’s employees. Oppose/ Job Killer.	Signed—Chapter 728
Paid Sick Leave. AB 1522 (Gonzalez; D-San Diego) Increases employer mandates by requiring all employers, large and small, to provide all employees in California with paid sick leave. “Job killer” tag removed due to 8/29/14 amendments, but CalChamber remains opposed. Former Job Killer.	Signed—Chapter 317
Labor Commissioner Investigation. AB 1723 (Nazarian; D-Sherman Oaks) Expands the authority of the labor commissioner to issue waiting time penalties during the citation process instead of just the administrative hearing, without setting forth the basis of the penalty in a written citation. Oppose Unless Amended.	Signed—Chapter 886
Employee Personal Information. AB 2751 (R. Hernández; D-West Covina) Clarifies that existing protections for employees that update their personal information applies only to information regarding federal work authorization documents. Support.	Signed—Chapter 79
Employer Mandates. AB 1650 (Jones-Sawyer; D-South Los Angeles) Before amendments, unfairly prohibited a state contractor from inquiring into an applicant’s criminal history. Opposition removed due to 4/1/14 amendments. No Position.	Signed—Chapter 880
Hiring Mandate. AB 1586 (Holden; D-Pasadena) Before amendments, unfairly mandated state contractors to hire applicants who have been previously convicted of a crime, are a veteran, recipient of unemployment benefits, or recipient of CalWorks, thereby subjecting such contractors to potential discrimination and negligent hiring/retention litigation. Opposition removed due to 5/7/14 amendments. No Position.	Vetoed
Legal Reform and Protection	
Interference with Arbitration Agreements and Settlement Agreements. AB 2617 (Weber; D-San Diego) Unfairly prohibits the enforcement of arbitration agreements or pre-litigation settlement agreements that require the individual to waive their right to pursue a civil action for the alleged violation of civil rights. Oppose/ Job Killer.	Signed—Chapter 910

Subject—CalChamber Position	Status
Expansion of Litigation for Franchisors. SB 610 (Jackson; D-Santa Barbara) Unfairly limits a franchisor’s ability to terminate a franchisee agreement with a poor-performing franchise and substantially increases litigation by limiting the termination of a contract to a “substantial, material breach” which is undefined, and can only be pursued after the franchise has been provided a 30-day right to cure. Oppose.	Vetoed
Court Interpreters. AB 1657 (Gomez; D-Los Angeles) Provides access to the judicial branch to all litigants by giving the court discretion to have a court interpreter, at no cost to the parties involved, regardless of their income. Support.	Signed—Chapter 721
Appellate Decisions. AB 1932 (Jones; R-Santee) Provides greater clarity and confidence to litigants by requiring a judgment from the Court of Appeal to include a brief statement of the reasons for the judgment. Support.	Signed—Chapter 58
Bad Faith Litigation. AB 2494 (Cooley; D-Rancho Cordova) Deters costly and unnecessary legal behaviors by re-enacting a prior statute that authorizes the award of attorneys fees for bad faith actions that are frivolous and solely intended to cause unnecessary delay. Support.	Signed—Chapter 425
Burden on Arbitration Providers. AB 802 (Wieckowski; D-Fremont) Before amendments, imposed burdensome data collection requirements, some of which are confidential, on arbitration providers and subjected them to private litigation for failure to accurately report such data, which will ultimately discourage such providers from offering arbitration as an alternative dispute resolution in California. Opposition removed due to 1/27/14 amendments. No Position.	Signed—Chapter 870
Unfair Restrictions on State-Funded Research. AB 609 (Nestande; R-Palm Desert) Before amendments, interfered with publishers’ ability to regain costs for value-added research if such research is funded in any way through state grants. Opposition removed due to 6/11/14 amendments. No Position.	Signed—Chapter 789
Residential Care Facilities. AB 2171 (Wieckowski; D-Fremont) Before amendments, increased the threat of frivolous litigation, attorneys fees and damages regarding the technical violation of new expansive rights for residents that are unrelated to the health or safety of the resident. Opposition removed due to 8/22/14 amendments. No Position.	Signed—Chapter 702
<h2 style="color: red;">Privacy and Confidentiality</h2>	
Breach Notices. AB 1710 (Dickinson; D-Sacramento) Before amendments, imposed additional, onerous, confusing and unworkable notice requirements on the business community, while excluding government entities from the same provisions, resulting in customers receiving duplicative notices for the same breach and potentially damaging business’s reputation. Opposition removed due to 8/19/14 amendments. No Position.	Signed—Chapter 855
<h2 style="color: red;">Procurement</h2>	
Prohibits Outsourcing. HR 29 (Gomez; D-Los Angeles) Seeks to severely limit options for government agencies to determine the most appropriate solution to providing efficient and effective public service. Oppose.	Adopted 4/3/14
Punitive State Contract Provision. SB 975 (Lieu; D-Torrance) Before amendments, imposed a new requirement on all bidders for state personal services contracts that could discourage bidders by allowing overly punitive and unfair termination of contracts and suspension of payments. Opposition removed due to rescission of 8/25/14 amendments. No Position.	Vetoed

Subject—CalChamber Position	Status
Regulatory Reform	
Regulatory Reform. AB 2723 (Medina; D-Riverside) Takes an important step to encourage a more favorable regulatory climate for small businesses by requiring state agencies to consider the effect of major regulations on small businesses and sole proprietorships. Support.	Vetoed
Taxation	
Creates Competitive Tax Environment. AB 1839 (Gatto; D-Los Angeles) Encourages film and television productions to locate or remain in California by extending and expanding the film and television tax credit. Support/ Job Creator.	Signed—Chapter 413
Creates a Competitive Tax Environment. AB 777 (Muratsuchi; D-Torrance) Ensures that California remains a competitive environment for an emerging multi-billion dollar industry by updating the California tax code to include certain equipment used for spaceflight transportation within the business inventory exemption. Support/ Job Creator.	Signed—Chapter 13
Creates a More Competitive Tax Environment. AB 2389 (Fox; D-Palmdale) Encourages new aerospace projects to locate in California by creating a targeted tax incentive tied to the creation of new aerospace manufacturing jobs in the state. Support/ Job Creator.	Signed—Chapter 116 (Urgency)
Creates a More Competitive Tax Environment. SB 718 (Roth; D-Riverside) Encourages new aerospace projects to locate in California by creating a targeted tax incentive tied to the creation of new aerospace manufacturing jobs in the state. Support/ Job Creator.	Signed—Chapter 189 (Urgency)
Fully Restores Tax Incentive Program. AB 1560 (Quirk-Silva; D-Fullerton) Ensures California is a competitive environment for employer investment by restoring full funding to the California Competes Tax Credit Program. Support/ Job Creator.	Signed—Chapter 378 (Urgency)
Joint Powers Authority. AB 2170 (Mullin; D-South San Francisco) Unnecessarily authorizes a joint powers authority to impose taxes and levies. Oppose.	Signed—Chapter 386
Managed Audit Program. AB 2009 (Weber; D-San Diego) Promotes compliance with the tax law by expanding the existing sales and use tax managed audit program, to the other tax areas under the Board of Equalization (BOE), thereby creating voluntary managed audit programs that allow the BOE to audit the taxpayer’s accounts for a specified period, and reduce the interest on any unpaid liability to one-half of the existing rate. Support.	Signed—Chapter 105
Creates Transparency. AB 2109 (Daly; D-Anaheim) Creates transparency regarding the manner in which parcel taxes are assessed, including the rates and the revenue received. Support.	Signed—Chapter 781
Registration Requirement. AB 2415 (Ting; D-San Francisco) Before amendments, unnecessarily required professionals that advocate on behalf of their clients regarding tax-related matters before a county assessor to register with the Secretary of State and pay a fee, even though such professionals are already registered and regulated by other state agencies. Opposition removed due to 8/5/14 amendments. No Position.	Vetoed
Telecommunications	
Kill Switches. SB 962 (Leno; D-San Francisco) Stifles innovation of new technologies by requiring specific kill switches embedded in smartphones at the point of sale rather than allowing consumer selection from a variety of technologies on the market. Oppose.	Signed—Chapter 275

Subject—CalChamber Position	Status
Unemployment Insurance	
Unemployment Insurance Tax Increase Risk. AB 1556 (Perea; D-Fresno) Prematurely adopts new statutes while rules and decisions from the federal Department of Labor regarding state requirements for waivers of looming unemployment insurance tax hikes are pending. Oppose.	Signed—Chapter 377
Water Supply and Quality	
Water Bond. AB 1471 (Rendon; D-Lakewood) \$7.5 billion water bond that contains funding for water quality, supply and infrastructure improvements. Contains \$2.7 billion for water storage projects necessary for a long-term adequate supply for water for all Californians. Support.	Signed—Chapter 188 (Urgency)
Water Bond. SB 866 (Wolk; D-Davis) \$7.5 billion water bond that contains funding for water quality, supply and infrastructure improvements. Contains \$2.7 billion for water storage projects necessary for a long-term adequate supply for water for all Californians. Support.	Vetoed
Premature Regulations. AB 1739 (Dickinson; D-Sacramento) Potentially devalues land prices of commercial and agricultural properties by limiting groundwater rights on which credit worthiness is based by requiring groundwater management plans without careful and thoughtful review of all monitoring data and without clear definitions or directions. Oppose.	Signed—Chapter 347
Premature Regulations. SB 1168 (Pavley; D-Agoura Hills) Potentially devalues land prices of commercial and agricultural properties by limiting groundwater rights on which credit worthiness is based by requiring groundwater management plans without careful and thoughtful review of all monitoring data and without clear definitions or directions. Oppose.	Signed—Chapter 346
Groundwater. SB 1319 (Pavley; D-Agoura Hills) Delays for 3 years the State Water Board’s authority to intervene in a basin or sub-basin that is not in overdraft but is causing significant depletions of interconnected surface waters. Oppose.	Signed—Chapter 348
Workers’ Compensation	
Expands Costly Presumptions. AB 2616 (Skinner; D-Berkeley) Increases workers’ compensation costs for public and private hospitals by presuming certain diseases and injuries are caused by the workplace. Oppose.	Vetoed
Assists Victims of Underground Economy. AB 1746 (Alejo; D-Salinas) Expedites hearings for injured employees of illegally uninsured employers to quickly resolve issues and ensure the injured employees receive access to appropriate benefits and care. Support.	Signed—Chapter 156

Register to Vote Online by October 20

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CalChamber-Opposed Bills Get Signatures, Win Vetoes

From Page 1

chisors. SB 610 (Jackson; D-Santa Barbara) would have unfairly limited a franchisor's ability to terminate a franchisee agreement with a poor-performing franchise and substantially increased litigation by limiting the termination of a contract to a "substantial, material breach" which is undefined, and can only be pursued after the franchise has been provided a 30-day right to cure.

The coalition opposing SB 610 included franchisors ranging from restaurants to retailers, movers, senior care, maid service, storage units and sports nutrition.

In vetoing SB 610, Governor Edmund G. Brown Jr. commented that the standard in the bill was "new and untested." The proposed changes, he wrote, "would significantly impact California's vast franchise industry that relies on the certainty of well-settled laws."

California franchisors (based in or seeking franchises in California) must file

each year with the California Department of Business Oversight. The department reports processing 3,545 franchise filings (both new and renewals) in 2013. Many national franchisors are exempt from California registration due to filing with the Federal Trade Commission.

Other Vetoes

- **Interference with Private Contracts.** [SB 1094 \(Lara; D-Huntington Park/Long Beach\)](#) would have inappropriately interfered with the ability of successful health facilities operators to purchase or merge with struggling hospitals, increasing the risk and cost of financing for these transactions, by allowing the California Attorney General to retroactively amend the terms of the transfer agreement for up to five years rather than resorting to traditional remedies when she unilaterally determined that one of the parties has breached the contract or made material misrepresentations.

- **Due Process for Agricultural**

Employers. SB 25 (Steinberg; D-Sacramento) would have denied due process for agricultural employers by requiring employer to implement collective bargaining contract ordered by the Agricultural Labor Relations Board while appealing the order, unless the employer meets a high standard to win a stay.

- **Expands Costly Presumptions.** [AB 2616 \(Skinner; D-Berkeley\)](#) would have increased workers' compensation costs for public and private hospitals by presuming certain diseases and injuries are caused by the workplace.

- **Creates Unworkable Permitting System for Hazardous Waste Facilities.** [SB 812 \(de León; D-Los Angeles\)](#) would have fundamentally undermined the Department of Toxic Substances Control's recently proposed plan to issue protective and timely hazardous waste permits by creating extraordinarily aggressive and arbitrary permit processing timelines.

Governor Signs CalChamber-Supported Education Bills

From Page 1

each year. Best of all, jobs related to computing pay significantly better more the national average salary.

While computer science education promises many benefits for students regardless of what field in which they ultimately plan to work, and while there is a huge need for graduates who possess computer science skills, California has largely ignored this subject as a part of K-12 education.

The following bills will encourage more students to take computer science in high school, giving them valuable exposure to this growing sector early on:

- **AB 1539 (Hagman; R-Chino Hills; Chapter 876)**, signed into law on September 30, will ensure that computer science courses will be rigorous by requiring the State Board of Education to adopt content standards to provide guidance for teaching computer science in grades 7-12 to be used by schools that choose to teach this important subject.

- **AB 1764 (Olsen; R-Modesto; Chapter 888)**, signed by the Governor on September 30, creates an incentive for more students to take a computer science

course in high school by making it possible for a school district to count such a course as a math course that meets one of the student's graduation requirements.

- **SB 1200 (Padilla; D-Pacoima; Chapter 518)**, signed by the Governor on September 20, also seeks to encourage more students to take a computer science course in high school by requesting that the University of California and California State Universities establish guidelines for high school computer science courses that would count as a math course for purposes of undergraduate admissions at both institutions.

Degree Shortage Ahead

The Public Policy Institute of California estimates that California will be short 1 million college graduates by 2025 unless the state makes changes to its education system.

Although the California State University and University of California campuses currently are able to serve more than 650,000 students at a time, the universities do not have the capacity to close the gap by themselves to produce those 1 million extra graduates.

SB 850 (Block; D-San Diego; Chapter 747), signed into law on September 28, expands the ability of the California Community College system to contribute to the number of baccalaureate degrees earned in the public school system.

Specifically, SB 850 establishes a pilot program in the community college system that allows the Chancellor to select certain community colleges to each offer a single bachelor's degree program in a subject related to an unmet workforce need in the local community that does not overlap with any degree programs offered at nearby postsecondary institutions.

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 CalChamber

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Leaves of Absence: Making Sense of It All

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