Pro-Jobs, Education Reform Candidate Wins Senate Race

Steve Glazer Captures East Bay District Runoff

Steve Glazer, mayor of Orinda, emerged as the victor in the runoff race in an East San Francisco Bay Senate district, defeating Assemblymember Susan Bonilla of Concord with 55% of the vote. Glazer’s victory is a major win for the California business community and proponents of education reform who engaged in an independent effort that promoted Glazer’s stances on transit strikes, taxes and teacher dismissal laws.

JobsPAC, the bipartisan independent expenditure committee co-chaired by the California Chamber of Commerce, in its continuing effort to elect candidates who support job creation through private sector economic growth and expansion, spent close to $1.5 million on Glazer’s behalf. With all precincts reporting, the Secretary of State website showed Glazer led Bonilla 54.6% to 45.4%—a margin of 10,255 votes out of the roughly 111,000 cast.

The San Francisco Chronicle reported that Glazer took an eight-percentage-point lead almost as soon as the polls closed at 8 p.m., and Bonilla could never gain ground.

Glazer, a moderate Democrat and longtime political adviser to Governor Edmund G. Brown Jr., received outside help from the CalChamber and a coalition of education reform-minded indi-

CalChamber Urges Action on Bills Awaiting Assembly/Senate Votes

Many bills opposed by the California Chamber of Commerce have moved through legislative committees and could come to a vote of the entire Assembly or Senate as early as next week. Hearing from constituents will be important as legislators weigh their decisions on the following bills.

In Assembly

- **AB 359 (Gonzalez; D-San Diego)** is a costly employee retention mandate. It inappropriately alters the employment relationship and increases frivolous litigation by allowing a private right of action and by requiring any successor grocery employer to retain employees of the former grocery employer for 90 days and continue to offer continued employment unless the employees' performance during the 90-day period was unsatisfactory.

  The bill has been designated a “job killer” because it unfairly forces grocery employers to hire a predecessor’s employees, undermines the at-will employment presumption in California, ensures continued union representation, despite any change in employers, and subjects employers to litigation.

See CalChamber Urges: Page 4

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World Trade Month Commentary: Page 5
Many Factors to Consider When Employing Unpaid Volunteers

If the person intends to volunteer his or her services in the spirit of devotion, self-sacrifice or service to the needy, that person is not an employee. Coercion must not be present.

If the person is performing tasks which might otherwise be performed by an employee, it is not likely that such a person could be a volunteer.

Because of the tacit threat of adverse action, employers and employees seldom deal with each other on an equal footing, creating a serious question about someone’s intention.

On the other hand, members of charitable, medical, religious or volunteer social organizations are usually involved out of a sense of commitment, duty and obligation.

Volunteers who intend to donate their services to religious, charitable or nonprofit corporations, without contemplation of pay and for public service, or religious or humanitarian objectives may be volunteers. The individual is not an employee of the religious, charitable or similar nonprofit corporation, which receives the services.

However, when the religious, charitable or nonprofit corporation operates a commercial enterprise serving the general public, such enterprises are subject to the California Industrial Welfare Commission orders and persons performing services therefore would have to be employees.

In certain circumstances, a regular employee of a religious, charitable or nonprofit organization may donate his or her services as a volunteer. Such services, however, may not be the usual services of the employee’s job.

Public Works

There are times when members of a community may desire to donate their time and energies to the completion of a certain public project, such as a park or playground. The Legislature created an amendment to the state’s public works laws to recognize such volunteerism.

Section 1720.4 of the California Labor Code recognizes and allows the work of volunteers on public works projects as an exemption to the prevailing wage requirements of the statute.


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-Sponsored Seminars/Trade Shows

More at www.calchamber.com/events.

HR Boot Camp, CalChamber. June 10, Santa Clara; August 18, Sacramento; September 2, Laguna Beach. (800) 331-8877.

Business Resources


International Trade

How to Trade with Asian Countries. Port of Los Angeles. June 5, Camarillo. (310) 732-7765.

9th World Chambers Congress. International Chamber of Commerce. June 10–12, Torino, Italy.


See CalChamber-Sponsored: Page 3
CalChamber Board Member Crafts Song/Video to Inspire Gift to Veterans

Attorney George David Kieffer, a member of the California Chamber of Commerce Board of Directors, has composed and directed a song and video to honor the nation’s veterans and raise funds for veterans organizations.

“Arlington,” the song and video package, was released on multiple digital platforms this month and features the Los Angeles Master Chorale.

The video can be previewed and pledges made at SongsForOurHeroes.org.

‘All in This Together’

“This song is to remind us that when we send men and women to war, we are all in this together,” Kieffer said. “When they return, if they return, we remain all in this together.”

Kieffer wrote the music and produced a video for Arlington after visiting the U.S. memorial in Normandy, France, where more than 9,300 American soldiers are interred, and after reading stories of today’s returning vets. He later added the lyrics at the suggestion of a colleague.

“I hope this song moves people as I was moved,” said Kieffer. “I want them to know their donations can make a difference.”

All proceeds from the release of the song and video will be distributed to veterans organizations through the Land Of The Free Foundation. The release of a full album is planned for this Veterans Day, November 11.

Composer

Kieffer is a partner at Manatt, Phelps & Phillips, LLP, and has been a member of the CalChamber Board since 1996.

In 2010, the Los Angeles and San Francisco Daily Journals named him as one of the “Top 100” attorneys in California. He has regularly been listed in The Best Lawyers in America.

An adviser to both business and elected leaders, Kieffer has been recognized for his public service by numerous civic organizations, including the Urban League, the Coro Foundation and the Pat Brown Institute. He was a principal co-author of the new Los Angeles City Charter, adopted in 1999—the first full revision since 1923. He served two terms as chair of the Los Angeles Area Chamber of Commerce and chairs the Los Angeles Civic Alliance.

A history graduate of the University of California, Santa Barbara, Kieffer is a member of the UC Board of Regents. He earned his law degree from UCLA.

Kieffer is a published author and songwriter, who has been composing songs since his youth.

Sales Tax Refunds for Qualified Veteran Vendors

The state Board of Equalization (BOE) has announced that refunds may be available if a “qualified itinerant veteran vendor” paid sales tax, interest and penalties between April 1, 2002 and March 31, 2010.

The tax repayment applies only to sales for which the veteran vendor did not collect sales tax from his/her customers.

The BOE defines “qualified itinerant veteran vendors” as those who:

• were honorably discharged from the U.S. Armed Forces;
• are sole proprietors with no employees;
• have no permanent place of business in the state; and
• are unable to obtain a livelihood by manual labor due to a service-related disability.

BOE said examples of “qualified itinerant veteran vendors” include swap meet or flea market vendors, lunch wagon operators, caterers, and coffee cart providers.

Examples of the goods and services such vendors commonly sell, according to BOE, include meals, firewood, fireworks, automotive tools, home repair services and mobile windshield repairs.

To apply for the refund of tax paid, qualified veterans should submit the BOE-101 Claim for Refund or Credit to the BOE before January 1, 2016. The form is available under the Forms & Pubs tab at www.boe.ca.gov.

CalChamber-Sponsored Seminars/Trade Shows

From Page 2


Hong Kong/China Trade and Leadership Mission. CalAsian Pacific Chamber. August 14–27, Hong Kong, Guangzhou, Shanghai, and Beijing, China. (916) 446-7883.


CalChamber Urges Action on Bills Awaiting Assembly/Senate Votes

From Page 1

• **AB 567 (Nazarian; D-Sherman Oaks)**, dealing with change of ownership, specifies that the fact the change of ownership statement has been filed with the Board of Equalization (BOE) or that the BOE has issued a determination on change of ownership is not confidential.

There is no valid reason to begin violating the fundamental principle of taxpayer confidentiality. More and more tax information that should remain confidential is indiscriminately made available to the public. The benefits to be derived from such disclosures are speculative at best, and do not warrant taking the risk of inaccuracies or other adverse consequences that may undermine public confidence in the tax system.

• **AB 1017 (Campos; D-San Jose)** threatens employers with civil and criminal prosecution for failing to set forth in a verbal or written offer the minimum rate of pay for each job position and precludes employers from seeking relevant employment history when interviewing candidates.

The bill may limit job opportunities for those who are less qualified, will potentially reduce applicant wages, and expose employers to additional litigation.

• **AB 1157 (Nazarian; D-Sherman Oaks)** extends the sunset date for the current lead assessor process for property valuation of commercial aircraft, which subjects aircraft companies to uncertainty and administrative burdens including the filing of multiple tax-related documents in numerous counties where they operate, inconsistent assessments, and ultimately, litigation. Instead of continuing with this model, commercial aircraft carriers would prefer a centralized method that is consistent and uniform.

In Senate

• **SB 226 (Pavley; D-Agoura Hills)** prematurely makes changes to the Sustainable Groundwater Management Act passed last year before it is completely implemented. Clouds the issue of expeditious adjudication.

• **SB 331 (Mendoza; D-Artesia)** creates new contracting requirements that will drive up the cost for vendors, suppliers and local government agencies for contracting if the local agency has adopted a civic openness in negotiations (COIN) ordinance in regards to the collective bargaining process. While some local agencies see value in transparency for the collective bargaining process and have adopted COIN ordinances, the same principles are not easily applied to contracting for goods and services.

CalChamber President, Policy Advocate to Speak at UI Conference

Two California Chamber of Commerce staff members are part of the speaker line-up for a national conference on unemployment insurance (UI) issues on June 17–19 in San Diego.

CalChamber President and CEO Allan Zaremberg will welcome attendees and moderate a review of the economy and its impact on unemployment at the National UI Issues Conference.

CalChamber policy advocate Marti Fisher will be a panelist at two sessions focusing on marijuana, drug testing and UI eligibility.

This year marks the 80th anniversary of the creation of the national UI program. Other sessions at the conference will include: updates on the national UI program and legislation; most effective ways to identify fraud and avoid overpayments; combating identity theft; UI and the new Workforce Innovation and Opportunity Act; best practices in UI claims adjudication and appeals; best practices in assessing re-employment eligibility and re-employment services; and managing benefits charges to employer accounts.

For more information or to register, visit [www.uwcstrategy.org/event/annual-conference/](http://www.uwcstrategy.org/event/annual-conference/).
Trade Essential for Economic Growth, Jobs

California Exports: 229 Foreign Markets, More than 10% of U.S. Total

Making sure U.S. businesses—from light manufacturers to service providers—benefit from higher growth, employment and wages due to increased exporting is key to expanding the economy and creating opportunity for all Americans.

As U.S. Commerce Secretary Penny Pritzker pointed out at the beginning of May—World Trade Month—96% of customers for U.S. businesses live outside the country, so increasing exports will enable companies to “expand and hire here at home.”

That is one reason Secretary Pritzker kicked off World Trade Month 2015 by, as the U.S. Department of Commerce put it, “reiterating the government’s commitment to promoting international trade as part of the country’s business strategy to diversify and continue advancing the nation’s economic resurgence.”

As we near the close of the nationally observed World Trade Week, May 17–23, international trade is a continuing bright spot in the economic landscape, with export markets providing advantages for both California and the United States.

Trade Statistics

U.S. exports reached a record high for a fifth consecutive year in 2014, totaling $2.34 trillion and supporting more than 11.7 million jobs.

In 2014, California exports totaled $174 billion, according to the U.S. Department of Commerce. This is an increase from the 2013 total of $168 billion.

California maintained its perennial position as a top exporting state, exporting to 229 foreign markets. Exports from California accounted for 10.7% of total U.S. exports, with Mexico, Canada, China, Japan and South Korea being the state’s top trading partners.

Trade Promotion Authority

Secretary Pritzker commented that World Trade Month “recognizes and celebrates international trade but also raises awareness of the varied services the U.S. government provides” to small and medium-sized enterprises.

World Trade Month Commentary
By Susanne Stirling

Central to the President’s “ambitious trade agenda that will open up more markets to ‘Made in America’ goods and services,” Secretary Pritzker said, “is the passage of trade promotion legislation and the enactment of strong trade agreements that uphold our values. These agreements are essential to the continued growth of our economy, the creation of good American jobs, the economic security of our families, as well as our nation’s competitiveness and national security.”

The California Chamber of Commerce is supporting legislation introduced in Congress to renew the authority of the President and/or U.S. Trade Representative to negotiate trade agreements. Passage of trade promotion authority will help Congress and the President to work together to forge new and beneficial trade agreements for the United States.

Trade Agreements

Agreements like the Trans-Pacific Partnership (TPP) and the Transatlantic Trade and Investment Partnership (TTIP), multilateral agreements currently being negotiated, ensure that the United States may continue to gain access to world markets, which will result in an improved economy and additional employment of Americans.

All trade agreements are critical elements of the U.S. strategy to liberalize trade through multilateral, regional and bilateral initiatives. Passage of these agreements means the elimination of billions of dollars in tariffs for U.S.

exports, as well as increased market visibility and benefits to California and the United States as a whole.

Through the TPP, the United States is seeking to help establish a trade and investment framework that supports job creation, promoting competitiveness, and expanding trade in the dynamic Asia-Pacific region. The United States also is seeking to advance core U.S. values in the agreement, such as transparency, labor rights, and environmental protection.

The TTIP is a key driver of global economic growth, trade and prosperity, and represents the largest, most integrated and longest-standing regional economic relationship in the world.

Together, the European Union and the United States are responsible for 11.5% of the world’s population, 45% of global gross domestic product, 30% of global merchandise trade, and 40% of world trade in services. A trade agreement could increase economic output for both the United States and the European Union.

Global Leader

For more than half a century, the United States has led the world in breaking down barriers to trade and in creating a fairer and freer international trading system based on market economics and the rule of law. Increased market access achieved through trade agreements has played a major role in our nation’s success as one of the world’s leading exporters.

The CalChamber supports expansion of international trade and investment, fair and equitable market access for California products abroad, and elimination of disincentives that impede the international competitiveness of California business.

Our competitive success in the global economy forms the foundation for California and the nation to remain world leaders.

Susanne Stirling is vice president of international affairs at the California Chamber of Commerce.
The best summary of the race comes from Stephen Woolpert, a professor and political expert at Saint Mary’s College in Moraga.

As reported in the San Jose Mercury News: “Even if voters are ignoring the race, they helped shape it,” Woolpert said. “By passing reform measures that established term limits, ended gerrymandered legislative districts and allowed members of the same party to compete in runoffs, voters made elections more competitive and improved the prospects of centrist candidates.

“I think this is a great illustration of how the voters have changed the game,” Woolpert said, pointing to the chamber’s backing of Glazer as a pro-business Democrat. ‘They’re trying to behave as rational actors. It’s just what the voters were thinking when they approved these three things.’”

**Another JobsPAC Victory**

The SD 7 race, where both candidates were Democrats, is an example of how voters benefit from the CalChamber-supported top-two primary reform voters approved in 2010, explains Martin Wilson, CalChamber executive vice president, public affairs.

After the JobsPAC victories in November, Wilson explained that the “top-two primary” is actually a system that could be a new reality show called “campaign survivor,” where only the strongest and most capable candidate, regardless of party, remains on the island after all contestants have been vanquished.

“Competition is good for business and consumers,” Wilson said. “And it is good for candidates and voters because through both a primary and general election, or in this case a primary and a runoff election, candidates are forced to appeal to the broader electorate.”

This special election was held to fill a vacancy created in the Senate when Mark DeSaulnier (D-Concord) was elected to Congress.

Pointing to the JobsPAC legacy of success, Wilson explained that CalChamber and its business community allies positively affected the outcome in several November 2014 runoffs where both candidates were Democrats.

“In these intraparty contests, business groups and individuals were able to independently help candidates achieve victory by appealing to a large cross section of voters, including and especially, Republicans and those who express no party preference.” Wilson said.

Again Wilson explains, highly competitive races like in SD 7 will continue because Democrats are being elected to the Legislature due to their ability to move across party lines and appeal to Republican voters, and that makes these candidates the moderate ones in the race.

Wilson’s point about cross-party appeal was easily illustrated in Tuesday’s race. According to the analysis by Political Data, cited by political analyst Tony Quinn, a third of the voters were Republicans; 15% were Decline to State, and only a little more than half were Democrats.

Quinn wrote in Fox and Hounds Daily that this race required a new kind of campaign.

“Yet the union-directed campaign for Glazer’s opponent, Democratic Assemblywoman Susan Bonilla, played just to the Democratic base,” Quinn wrote. “It ran a campaign as though the race were a closed Democratic primary. Because the top-two runoff creates an open contest in which all voters are equal, appeals simply to a partisan base are doomed to fail, even when they are bankrolled in the millions of dollars as the public employee union effort was.”

No date has been set for Glazer’s swearing in.

SD 7 includes large parts of Alameda and Contra Costa counties.

2016 and Beyond

To maintain success in defeating job-killing legislative proposals, it is vital the CalChamber Political Action Network continue to find and elect candidates of both parties who are willing to stand up to the special interests that prefer politicians who share the philosophy of tax, spend and regulate.

In 2016 there will be 16 open Assembly seats and at least five open Senate seats.

**Staff Contact: Martin Wilson**
Legislative Analyst Projects More Revenue; Echoes Governor’s Call for Fiscal Restraint

The nonpartisan Legislative Analyst’s Office (LAO) this week released revenue projections a few billion dollars higher than estimated in the Governor’s budget plan, but also advised a cautious approach to spending the additional revenue.

General Fund revenues for the 2015–16 fiscal year will be nearly $3.1 billion greater than forecast by the administration—$116.335 billion rather than the $113.281 billion, the LAO said.

The LAO projections assume a slowdown in retail sales growth next year, very low inflation this year, and stagnant residential building activity. More than half of the difference between the administration’s and LAO’s revenue projections appears to come from the LAO’s higher estimates of taxpayer income from capital gains, which are very changeable.

Volatile Revenue

Like the Governor’s presentation of the May budget revision last week, the LAO analysis of the revised plan included several reminders of the volatility of California’s revenue system.

“But just as the state’s revenue picture has improved significantly over just a few months, it can just as easily reverse course with a stock market or economic downturn,” the LAO report stated. “Restraint in approving new ongoing programs is key to preventing an unsustainable spending base.”

Pointing out that “resolve in building a large budget reserve is key to blunting the effects of sharp revenue declines,” the LAO noted that the state will have just $3.5 billion in its rainy day fund at the end of 2015–16, far below the $12 billion goal voters approved when passing Proposition 2 last fall.

Proposition 2, revenue volatility and the state’s complex education funding formula make it difficult to estimate how much new spending the General Fund revenues can support, the LAO commented. “In light of these challenges, we suggest that the Legislature tread carefully in authorizing new spending commitments or tax reductions.”

Earned Income Tax Credit

The LAO described the proposed state Earned Income Tax Credit (EITC) as one of the Governor’s “most significant priorities for available discretionary resources.”

A December report from the LAO described the federal EITC as one of the most significant antipoverty programs. Although the state proposal differs from the federal program “in substantive ways,” the LAO wrote, “we believe it could benefit many of the state’s lowest-income residents.”

The administration estimates as many as 825,000 families may benefit from the new tax credit: 85% of the federal credit for working taxpayers with incomes less than $6,850 (with no dependents) or $13,870 (with three or more dependents). The credit would amount to $460 on average to working households, to a maximum of $2,653, according to the state Department of Finance.

UI 101: The Basics at National Unemployment Insurance Conference

Dr. Richard A. Hobbie, a national expert on unemployment insurance (UI) issues will offer insights on foundational components of the UI system at a June 17 session in San Diego.

His two-hour seminar is a prelude to the 2015 National UI Issues Conference, set for June 17–19.

The $50 seminar (fee separate from the conference) may be attended without attending the full conference and is designed to help both beginners and seasoned practitioners.

Hobbie is the visiting scholar at the Heidrich Center for Workforce Development at Rutgers University.

The seminar will cover:
• Building blocks of UI;
• Overview of federal-state unemployment relationship;
• Unemployment tax and basic benefit structure;
• Solvency and insolvency: all you ever wanted to know.

More information is available from CalChamber policy advocate Marti Fisher, one of the curriculum developers, at marti.fisher@calchamber.com or at www.uwcstrategy.org/event/annual-conference/.
July 1 Compliance Alert

California Employers: You must post the revised CFRA notice on July 1, 2015 if you are a:

- Private-sector employer with 50 or more employees in 20 or more workweeks in the current or preceding calendar year, including a joint employer or successor in interest to a covered employer; or
- Public agency, including a local or state government agency, regardless of the number of employees you employ.

Order CalChamber’s updated all-in-one poster today and save 20% through June 30. Preferred and Executive members save an extra 20% after their member discount.

PURCHASE at calchamber.com/july1alert or call (800) 331-8877 with priority code JPNA.