CalChamber Backs Renewed Effort on Federal Water Bill
Plan Improves Ability to Capture/Store Water

U.S. Senator Dianne Feinstein has introduced an updated proposal to provide long-term and short-term solutions to the state’s historic drought. The California Chamber of Commerce supports the effort to move drought relief legislation this year and improve the ability to capture and store water in wet times for use in dry ones.

Feinstein’s proposal includes provisions to allow more water to be captured and stored during the drought, and to promote both the building of new reservoirs and increasing the capacity of existing ones.

In introducing the bill, Feinstein estimated that if all the projects identified in the bill were completed, nearly 1.4 million acre-feet of “new” water could be made available.

The CalChamber and other business, grower and water groups from the Western states have previously called for action on bipartisan Western water and drought relief legislation.

There is a growing consensus that Western water users need every tool available to survive and recover from the drought. The premier sponsor of this year’s Agenda for California Prosperity is Wells Fargo.

The California Chamber of Commerce 2016 Business Issues and Legislative Guide is available now on the CalChamber website. This easy-to-reference publication compiles background information on policies the CalChamber has identified as priorities.

We want to be sure we are preparing a quality workforce that enjoys affordable health care and housing, and an improved transportation system. Not adding to employer costs is an important policy principle so that California employers can keep pace with the competition in other states and around the world.

The premier sponsor of this year’s Guide is Wells Fargo. CalChamber preferred and executive members receiving printed copies of Alert received hard copies of the Guide in the mail. Preferred and executive members receiving the email Alert can request a hard copy by emailing alert@calchamber.com.

Additional hard copies are available for purchase ($20 each). Mail checks to the California Chamber of Commerce, P.O. Box 1736, Sacramento, CA 95812-1736, Attn: Business Issues.


Property Tax Hike Initiative Won’t Be on November Ballot

Proponents of a California Chamber of Commerce-opposed plan to increase taxes on commercial property to fund poverty reduction programs have called off efforts to place the initiative on the November ballot.

The initiative proposes a “surcharge” of up to 1% on targeted properties to fund state tax credits, health programs and education programs.

Trying Later

One of the initiative proponents, former Board of Equalization member Conway Collis, said the 2016 ballot has become too crowded with too many revenue-raising measures on it, according to The Sacramento Bee. Collis said it makes more sense to try to qualify early for a later ballot and that proponents also will see if their approach should be modified before refiling the measure.

“That’s one less new tax to worry about for now,” said CalChamber President and CEO Allan Zaremberg, who was prepared to help lead the campaign to oppose the property tax surcharge, in keeping with the CalChamber’s longtime opposition to proposals that would increase taxes.

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2016 Issues Guide Available on Website

2016 Issues Guide Available on Website

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Labor Law Corner

New Requirements for Paying Piece-Rate Employees for Rest Breaks

The California Legislature attempted to codify and clarify those rulings with the passage of AB 1513, which went into effect on January 1, 2016.

Itemized Statements

Labor Code Section 226.2, added by AB 1513, now requires itemized statements of deductions to reflect the total hours of compensable rest and recovery periods, the rate of compensation, and the gross wages paid during the pay period.

The statute requires that compensation for rest and recovery periods shall be no less than the higher of:

- the applicable minimum wage, whether required by federal, state or local ordinances; or
- an average hourly rate determined by dividing the total compensation for the workweek by the total hours worked, exclusive of compensation for rest and recovery periods.

Rest Periods

Rest periods are based on the statutory requirement of no less than 10 minutes for every 4 hours worked or major portion thereof.

Using the statutory rest break requirements, you calculate the number of rest breaks required in the workweek at 10 minutes each average hourly rate referred to above. This would be the amount due for the rest break time unless the minimum wage requirements produced a greater result.

Any overtime worked in the workweek would be calculated at one-half the calculated average hourly rate. This is because straight time for these overtime hours already has been calculated in arriving at the average hourly rate.

For semi-monthly payrolls, employers are allowed to pay for rest and recovery periods at a rate of at least the minimum wage for the pay period in which the rest and recovery occurred, and then true up the compensation owed by applying the average hourly rate formula in the following pay period.

Recovery Periods

Recovery periods are defined in Labor Code Section 226.7 as the cool-down period afforded an employee to prevent heat illness and may be determined by actual records or the employer’s best estimate of such time.

The average hourly rate calculated for rest breaks is the same amount owed for the recovery time, so you would multiply by the recovery period time to determine the amount owed.

Nonproductive Time

Other nonproductive hours is time employees are subject to the employer’s direction and control, exclusive of rest and recovery periods that are not directly related to the activity being compensated on a piece-rate basis. The rates for other nonproductive time must be no less than the applicable minimum wage.

There are recordkeeping requirements for piece-rate employees that differ from nonexempt employees not paid on a piece-rate basis.

For more information on piece rate, see the HR Library on HRCalifornia.com.

CalChamber Calendar

Water Committee:
March 3, Dana Point

Education Committee:
March 3, Dana Point

Fundraising Committee:
March 3, Dana Point

Board of Directors:
March 3–4, Dana Point

International Breakfast:
March 4, Dana Point

Capitol Summit/Host Breakfast:
May 17–18, Sacramento
CalChamber Capitol Summit Registration Opens

Registration is now open for the California Chamber of Commerce 2016 Capitol Summit, which will be held May 17–18 in Sacramento.

Attendees will hear from political insiders and CalChamber policy advocates who will address national campaigns and state policy issues.

The agenda includes a straight talk from CalChamber President and CEO Allan Zaremberg about the many initiatives that will be jostling for voters’ attention in California.

The special guest speaker will be national pollster and strategic consultant Dave Sackett, founding partner of The Tarrance Group. He has an extensive background in campaign strategy, political media and message development, and demographic targeting.

Following lunch, former Assembly Republican Leader Mike Villines, Villines Group LLC, will moderate as CalChamber policy advocates provide updates on the status of major policy issues.

Host Reception/Breakfast

Following the Capitol Summit, attendees are invited to attend the Sacramento Host Reception, an event co-sponsored by the CalChamber and the Sacramento Host Committee to provide networking opportunities for business leaders from all industries in California to discuss key issues facing the state.

The reception is a prelude to the Sacramento Host Breakfast the following morning, May 18. The Host Breakfast provides a venue at which California’s top industry and government leaders can meet, socialize and discuss the contemporary issues facing businesses, the economy and government.

Traditionally, the Governor of California and the chair of the CalChamber Board of Directors speak on issues facing employers in California. Leaders from business, agriculture, the administration, education, the military and legislators from throughout the state are invited to join the discussion.

Registration

Registration for the Capitol Summit, Host Reception and Breakfast is $60. Space is limited. The registration deadline is May 6.

For more information or to register, visit www.calchamber.com/2016summit-host.

Staff Contact: Danielle Fournier

CalChamber Seeks Nominations for Small Business Advocate Award

The California Chamber of Commerce is seeking nominations for its annual Small Business Advocate of the Year Award.

The award recognizes small business owners who have done an exceptional job with their local, state and national advocacy efforts on behalf of small businesses.

“Every year the award winners demonstrate how one person speaking out can make a difference,” said Dave Kilby, CalChamber executive vice president, corporate affairs. “Nominating that outstanding spokesperson from your community helps bring statewide recognition to the importance of small business advocacy.”

Application

The application should include information regarding how the nominee has significantly contributed as an outstanding advocate for small business in any of the following ways:

• Held leadership role or worked on statewide ballot measures;
• Testified before state Legislature;
• Held leadership role or worked on local ballot measures;
• Represented chamber before local government;
• Active in federal legislation.

The application also should identify specific issues the nominee has worked on or advocated during the year.

Additional required materials:

• Describe in approximately 300 words why nominee should be selected.
• News articles or other supporting materials.
• Letter of recommendation from local chamber of commerce president or chairman of the board of directors.

Deadline: April 18

Nominations are due by April 18. The nomination form is available at www.calchamber.com/smallbusiness or may be requested from the Local Chamber Department at (916) 444-6670.
You Can Help Reform How California Pays for Roads, Highways

California’s transportation finance system is running out of gas. Not literally, but the buck or two for each gas station fill-up is getting much less bang than it did a decade ago.

The Governor and Legislature are debating how to resolve a $5.7 billion annual mismatch between revenues and spending for road and highway upkeep. But any short-term fix reliant on the gasoline tax will be only a stop-gap measure.

Gas Tax Inadequate

Taxation of gasoline is inadequate to meet the needs for system repairs and improvement because gasoline use is becoming disconnected from road use. In a triumph of technology and market forces, cars have become far more fuel efficient, driving down revenues from the gas tax. Public policy also is lining up against the internal combustion engine, which is the sole consumer of taxed gasoline.

Recognizing the long-term inadequacy of taxing gasoline, state leaders have agreed to a recommendation from a panel of private citizens to test the next generation in road finance—a fee based on the actual use of the state transportation network that puts a premium on user choice and personal privacy protection.

In the spirit of a true user charge, the proposal envisions a broad application of the mileage fee, with no exemptions and no rate differentials—at least in the testing phase.

The panel also anticipates the user fee would be set at a rate to offset the gasoline tax. In other words, this fee would be a replacement revenue source, not an additional tax.

Since the fee no longer depends on gasoline use, erosion of the tax base will stop, resulting in more funds for roads and highways over time.

Volunteers Needed

This is where you come in. The state is recruiting volunteers—drivers of cars and trucks, from rural to urban—gathering data over a 9-month field trial to determine challenges and opportunities. It won’t cost you a dime; no new fees will be collected.

The data will then be analyzed and reviewed by state transportation experts and officials, who will make a recommendation to the Legislature at the end of 2017. Your input on this project will be invaluable to improving it or scrapping it.

Your actual experience can help determine the future of California transportation finance. Want to sign up? Check out www.CaliforniaRoadChargePilot.com for details.

Contact: Loren Kaye

CalChamber-Sponsored Seminars/Trade Shows

More at www.calchamber.com/events.

Labor Law

HR Boot Camp. CalChamber. March 2, Los Angeles; May 10, Sacramento; June 9, Santa Clara; September 7, San Diego; September 22, Sacramento. (800) 331-8877.

Leaves of Absence. CalChamber. April 14, Sacramento; June 23, Huntington Beach; August 16, Sacramento. (800) 331-8877.

International Trade


Danish American Frontier Award Dinner. Danish American Chamber of Commerce of Northern California. April 3, San Francisco. (925) 253-0785.


Appeals Court Hears Oral Arguments in Landmark Teacher Tenure Case

A three-judge panel at the Second District Court of Appeal this week heard arguments in the landmark teacher tenure case, Vergara v. California.

The California Chamber of Commerce joined other business organizations to file a friend-of-the-court brief in support of the student plaintiffs and the Vergara decision, noting that providing equal access to effective teachers in California’s public schools is critical to a thriving California economy.

The plaintiffs in the case—nine public school students from throughout California—filed their opening brief in the appeal in June 2015. The 121-page brief argues that the Superior Court’s ruling in Vergara should be affirmed on appeal in order to protect every child’s right to equal educational opportunities—a fundamental right enshrined in California’s Constitution.

The laws struck down by the trial court decision in Vergara contribute to the state’s shortfall in highly skilled workers, the CalChamber and other business groups argue, adding that California’s public schools currently leave far too many students unprepared to participate in the 21st century workforce.

CalChamber Brief

“California cannot afford to allow the inequitable distribution of teachers to impede the educational advancement of low-income and minority students, upon whose educational success our state’s future economic prosperity depends,” reads the CalChamber amicus brief. “Indeed, if the achievement gap between students of different ethnic, racial, and income backgrounds could be closed, it would enrich the American economy—of which California is the largest part—by hundreds of billions of dollars.”

Joining the CalChamber in the brief, filed September 14, 2015 and accepted by the court in November 2015, are the California Business Roundtable, the Silicon Valley Leadership Group, the Valley Industry & Commerce Association, the Orange County Business Council and the Foundation for Excellence in Education.

Several major social justice groups also filed briefs in support of the Vergara decision. The filings demonstrate the broad interest across the state in ensuring California’s public schools deliver a quality education to all—not just some—of the state’s students.

Superior Court Decision

After two months of trial, the Los Angeles Superior Court found unconstitutional California’s quality-blind teacher tenure, dismissal and layoff laws. The court agreed with the nine student plaintiffs that the laws needlessly handcuff schools, preventing them from making decisions in the best interest of kids, and disproportionately harm low-income students and students of color.

In his August 28, 2014 decision, Los Angeles Superior Court Judge Rolf M. Treu wrote, “The evidence is compelling. Indeed, it shocks the conscience.”

The State of California and the state’s two largest teachers unions appealed the trial court ruling in Vergara.

California rules require that the appellate judges rule within 90 days, so a decision should be released by the end of May. The decision will become final 30 days after that, unless one of the parties appeals to the state Supreme Court.

For more information on the Vergara case, visit www.StudentsMatter.org.

Staff Contacts: Mira Morton, Heather Wallace

Property Tax Hike Initiative Won’t Be on November Ballot

From Page 1

increase the tax burden on commercial properties.

Inappropriate Use

Zaremberg has previously pointed out that the Property Tax Surcharge to Fund Poverty Reduction Programs is “a completely inappropriate use of property taxes in California.”

Since its inception, the property tax has been used to fund local government services.

“By diverting local property taxes to fund new state programs, the proposed surcharge will hurt police, fire, special districts and other programs that depend on the property tax,” Zaremberg said. “Moreover, this property tax surcharge would add to California’s status as having the most burdensome tax structure in the nation, including the highest personal income tax, corporate tax, sales tax, and, under this proposed initiative, property tax. It will derail further economic growth, particularly in parts of the state where people continue to struggle.”

Job Killers

In the last five years, the Legislature has introduced three bills that would have created a so-called “split roll” for property taxes. The CalChamber opposed those bills as job killers.

In voting last December to oppose the property tax surcharge, the CalChamber Board expressed concern that higher taxes on rental properties will likely create higher rents for businesses and rental property residents should the measure pass.

Additional concerns included the fact that the initiative would have created a targeted tax on commercial property and created uncertainty in its application.
CalChamber Backs Renewed Effort on U.S. Bill Improving Water Storage

From Page 1 current drought and to prepare for the hard, dry years that the future may hold.

Water Storage Projects

To help store water during wet years for use in dry ones, the bill:
- Authorizes $600 million for water storage projects in California and other Western states. These may include both federal projects (Shasta) and nonfederal projects (Sites, Temperance Flat, Los Vaqueros).

- Sets deadlines for the federal Bureau of Reclamation (Bureau) to complete feasibility studies to allow Calfed storage projects to compete for the $2.7 billion of bond funding that California’s Proposition 1 earmarked for water storage. The Calfed Bay-Delta Program is a collaboration of 25 state and federal agencies to improve the state’s water supply and the ecological health of the San Francisco Bay/Sacramento-San Joaquin Delta.

- Updates U.S. Army Corps of Engineers dam operations to increase water supply while reducing flood risk.

Emergency Operations

Emergency provisions to make water delivery more efficient during the drought include the following. The provisions would last as long as the Governor’s drought declaration is in effect or for two years, whichever is longer.

- Improved data to operate pumps at higher levels when no fish are present and reduce pumping levels when fish are nearby.

- Allow agencies to keep the additional water they are able to pump during winter storms.

- Require agencies to explain pumping reductions due to the Delta smelt biological opinion. The agencies must explain decisions to reduce pumping to protect the Delta smelt based on improved data rather than relying on intuition.

- Require agencies to maximize water supplies consistent with applicable laws and biological opinions. Agencies cannot harm fish in violation of biological opinions, but should try to increase water supplies.

- Open Delta cross-channel gates more often so that water from the Sacramento River is used to control salinity instead of water released from the Central Valley Project.

Three provisions aim to make greater use of water transfers, a voluntary, market process to move water to where it is truly needed.

- Extend by five months the period within which water transfers may take place. By making the transfer window the months of April through November instead of the current July through September, water transfers can be available during the spring planting season.

- Allowing 1:1 water transfer ratio, versus the past practice of requiring water users to send more water downstream than can be pumped out. Environmental law and biological opinions still must be followed.

- Expediting review of water transfers and construction of temporary barriers.

Other Provisions

Other sections of the bill provide:
- Desalination. Reauthorizes the Desalination Act and authorizes $50 million over five years for desalination research projects, such as improving existing technology, reducing environmental effects of seawater desalination and developing next-generation technologies to reduce the cost of desalination. Also authorizes $50 million over five years for feasibility and design of sea and brackish water desalination projects.

- Assistance for drought-stricken communities. Rural and disadvantaged communities with fewer than 60,000 residents may apply for grants through the Bureau to help stabilize water supplies.

- Water recycling, conservation, efficiency. Authorizes $200 million in increased funds for the Bureau’s water recycling and reuse program. Authorizes a U.S. Environmental Protection Agency program to label water-efficient products for consumers, similar to the Energy Star program. Authorizes a Department of the Interior program to establish an open system with data on water quality, climate and weather effects, and erosion. The system would be accessible to the public online.

- Additional funding. Authorizes $200 million for a loan guarantee program to allow water districts and municipalities to leverage loans and loan guarantees for water projects. Also increases funding by $150 million for the Bureau’s WaterSMART program.

- Endangered/threatened fish and wildlife. Authorizes $55 million for short-term, low-cost proposals to protect and assist in recovering endangered or threatened fish populations, including Delta salmon and smelt.

What’s Next

Senator Feinstein’s bill will be taken up soon by the U.S. Senate Energy and Natural Resources Committee, chaired by Senator Lisa Murkowski (R-Alaska).

Staff Contact: Valerie Nera
Institute Report Recommends Focus on Civics Education to Boost Voter Turnout

California elections have a turnout problem and one of the best ways to combat this shortfall is a more robust and comprehensive civics education in schools, according to a recent Public Policy Institute of California (PPIC) report.

California Voter Turnout

According to the PPIC report, when seen in isolation, California has a turnout problem. In fact, California’s 2014 voter turnout hit record lows in both primary and general elections.

California is registering at the same rate as before, but they are not following through and casting a ballot as often, according to the report. This problem is mostly limited to midterm elections (both primary and fall general), although there is some evidence of a decline in presidential primaries as well. Fall presidential elections continue to draw voters as well today as they did 35 years ago. Thus, if there are concerns about turnout in California, midterm elections ought to be an area of special focus, the report states.

Compared to other states, however, California also has a registration problem, the report states. The registration rate has stayed flat in California, but climbed elsewhere. California’s recent adoption of automated registration could radically reduce the administrative burden of registering to vote, but what remains will be the same motivational and logistical barriers that impede turnout among the registered, the report comments.

Civic Education

The PPIC report recommends that one way to increase turnout is to focus on the low participation rates of young people and do a better job of acculturating them into the habit of voting.

There has been some work on this front already, the report notes. The recent California Task Force on K-12 Civic Learning has offered a lengthy list of recommendations rooted in six “proven practices.”

“Those of us who have been advocating for civic engagement were pleased to see the Public Policy Institute’s report about the role that high quality civic education plays in increasing civic engagement,” said Chief Justice Tani Cantil-Sakaye. “I commend the work of education, law and business leaders who are amplifying the call for high quality civic learning in all schools, for all students.”

Chief Justice Cantil-Sakaye and State Superintendent of Public Instruction Tom Torlakson established the California Task Force on K-12 Civic Learning to explore and elevate the status of civic learning and engagement in California.

Improving Civic Learning

According to the task force, the following core activities—“The Six Proven Practices”—are shown to improve the quality and effectiveness of civic learning, both in and out of the classroom, and ultimately build a stronger and more engaged society:

- Classroom instruction in government, history, law and democracy combining formal instruction of fact and documents with illustration and discussion demonstrating their relevance and application in today’s society.
- Discussion of current events and controversial issues, including their relevance to young people’s lives.
- Service learning experiences that are directly linked to curriculum and instruction and provide students a chance to apply what they are learning.
- Extracurricular activities that give students opportunities to get involved in their schools and communities, and work together toward a common goal.
- Student participation in school governance to cultivate a sense of responsibility and give students an opportunity to participate in the management of their own classrooms and schools.
- Simulations of democratic processes that allow students to participate in simulated voting, trials, legislative deliberation, and diplomacy.

Additional Research

The PPIC report cites additional research that suggests why these practices work and what will help them work better:

- Young people often distrust politicians and political institutions and feel that their participation in elections does not matter (Bowler and Donovan 2013; Blais et al. 2004).
- At the same time, they are surprisingly receptive to volunteering and activism (Andolina et al. 2003; Chareka and Sears 2006).
- At its best, civic education connects the latter to the former by imparting a broader understanding of institutional levers of power and connecting them to current events and local concerns (Bennett 2007; Hart et al. 2007).

The PPIC report concludes that civic education is one step in the process of improving voter registration and turnout. But aggressive outreach should become the new normal if we seek to increase participation, the report states.

The report may be accessed at www.ppic.org/content/pubs/report/R_216EMR.pdf.
California Employers: Are you a private-sector employer with five or more full- or part-time employees, or a public-sector employer? If so, you’re required to post the updated Pregnancy Disability Leave notice effective April 1, 2016, in each business location.

CalChamber’s all-in-one poster makes your compliance easy, without costing a lot. Save 20% through March 31 (with Preferred/Executive members saving an extra 20% after their member discount), and don’t forget to add Poster Protect® to your order in case other pending required updates happen this year. So next time, you’ll automatically receive a new poster at no additional charge.

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