EXPANDING OPPORTUNITY THE CALIFORNIA WAY

As our state faces uncertainty at the federal level, the Los Angeles business community is committed to prioritizing state legislative actions that will sustain our economy, provide certainty for employers, house our growing population and improve our foundational infrastructure. Additionally, we are working with L.A.’s leadership to highlight the important contributions immigrants have made to our region and the importance of immigration reform.

Now it is more important than ever that California’s representatives, businesses and communities stand united to support and strengthen the California Way.

48th California’s ranking on the 2016 state business tax climate index

Tax Foundation’s 2016 State Business Tax Climate Index report

+ 1.5 MILLION

The number of L.A. County residents insured through either Medi-Cal or a Covered California plan

California’s ranking among states when it comes to business taxation and regulation

Chief Executive Magazine’s 11th Annual Survey of Best & Worst States, May 2016

$70,836 vs. $8,219

What the State spends each year to incarcerate one prisoner, vs. what the State spends to educate a student K-12

25 MILLION

Number of people in California that depend on Bay Delta water

Metropolitan Water District of Southern California

2.4 MILLION

The number of additional college degrees and credentials needed to meet the workforce demands of 2025

California Competes
PROVIDE CERTAINTY FOR JOB CREATORS

As California’s population and economy rebounds from the Great Recession, we should not disrupt that momentum with mandates and policies that will decrease jobs and increase costs for California businesses, placing them at a competitive disadvantage in the global market.

SUPPORT OUR IMMIGRANT COMMUNITIES AND BUSINESSES

The impact of immigration has been a critical component of California’s economic growth. In a recent report, New Americans in Los Angeles, the Partnership for New American Economy found that foreign-born residents contributed nearly $233 billion to L.A. County’s GDP in 2014, accounting for 35 percent of the county’s total GDP. Immigrants comprise 35 percent of our residents and 43 percent of the employed labor force in L.A. County.

As the discussions on immigration continue on both the state and federal levels, this delegation will continue supporting policies such as H1-B visas, temporary guest-worker programs and the Deferred Action for Childhood Arrivals program. Combined with strong border security and an earned pathway to legal status, these policies are essential to helping our economy thrive. The Chamber is committed to working with state leaders to communicate the impact of immigration on our economic prosperity to federal leadership.

SUPPORT PUBLIC SAFETY IMPROVEMENTS

- **Support AB 1326 (Cooper; D-Elk Grove)** - Saves retailers from being repeatedly robbed for merchandise amounting to less than $950, which is a misdemeanor and rarely prosecuted. Changes law to aggregate thefts in a one year timeframe so that the $950 threshold is met and punishable by a stiffer penalty.

OPPOSE COSTLY NEW MANDATES

- **AB 5 (Gonzalez-Fletcher)** - Mandates that if a company of 10 or more employees has more hours of work available with an existing part-time employee who is qualified to do that job, the employer has to offer that employee those hours before hiring another part-time worker. This mandate will reduce workplace flexibility for employees and ultimately force businesses into rigidity with regard to employee requests for personal scheduling accommodations.

- **SB 33 (Dodd)** - Unfairly discriminates against arbitration agreements contained in contracts for goods and services. Instead, legislation is needed that more clearly standardizes who qualifies as an employee versus an independent contractor.

- **SB 63 (Jackson)** - Imposes a new maternity and paternity leave mandate that burdens and increases costs of small employers with as few as 20 employees by requiring 12 weeks of protected employee leave for child bonding and exposes them to the threat of costly litigation.

- **SB 300 (Monning)** - Requires safety warning labels on all sugar-sweetened beverages for distribution or sale, including soda, tea and juice. Targeting the beverage industry to reduce obesity will not appropriately address the serious and complex health issues facing Californians.

SUPPORT INVESTMENTS IN TRANSPORTATION

INVEST IN TRANSPORTATION FUNDING SOLUTIONS

In January 2017, the Public Policy Institute of California’s Statewide Survey revealed that a majority of Californians across political parties and geographic regions say that spending more money on California’s roads, highways, and bridges is very important for the future quality of life and economic vitality of the state. This delegation supports both the Governor’s proposal and existing legislation to tackle our funding deficit, as long as those plans include reform and accountability measures for any new revenue.

- **Support**: Transportation package that creates a road maintenance and rehabilitation program to address deferred maintenance on the state highway system, local streets and roads and improves statewide and local trade corridors and systems. Should include accountability provisions and increased protections for revenue.

- **Support: SCA 2 (Newman)** - Prohibits the Legislature from borrowing revenues from fees and taxes imposed by the state on vehicles and from using those revenues other than as specifically permitted.
PROVIDE FOR ADEQUATE HOUSING PRODUCTION

The Chamber has long partnered with the United Way of Greater L.A. on implementing Home for Good, a public-private initiative to end chronic and veteran homelessness in L.A. County. However, our housing crisis in California has reached such levels that we need sustained investment and streamlining of processes for housing construction of all levels.

SUPPORT REASONABLE FUNDING MECHANISMS

- **Support: SB 2 (Atkins)** establishes a permanent funding source for affordable housing through a $75 fee on real estate transaction documents. This fee is capped at $225 on a per parcel, per transaction basis, and exempts commercial and residential real-estate transactions.

- **Support: SB 3 (Beall)** provides $3 billion through a statewide housing bond to fix existing affordable housing programs in California. This bond will result in 147,000 jobs, over $9 billion in labor income, $24.5 billion in economic activity and $1.1 billion in additional local and state taxes and fee revenue.

CREATE MARKET CERTAINTY

This delegation supports policies that empower local governments to identify and deliver the projects and programs that best improve mobility in their region.

- **Support: SB 35 (Weiner)** ensures communities create housing we need to address the housing shortage by streamlining qualified housing projects until cities meet their Regional Housing Need Allocation (RHNA) housing production goals at all income levels.

- **Support: AB 678 (Bocanegra)** strengthens the Housing Accountability Act (HAA) by requiring a local agency to make relevant findings if they deny a housing development.

- **Support: AB 943 (Santiago)** requires any local measure that curbs, delays or deters growth or development within a city to now be approved by at least two-thirds vote.

- **Support: AB 1117 (Fong)** increases the transparency in CEQA, closes loopholes that delay projects and requires the courts to rule on whether a lead agency made a good faith effort to comply with CEQA.

- **Oppose: AB 199 (Chu)** eliminates the long-standing residential exemption from prevailing wage rates, making private, market-rate residential development a public work project where prevailing wage would be paid.

- **Oppose: AB 1506 (Bloom, Chiu, & Bonta)** will repeal the Costa-Hawkins Rental Housing Act and give rent control regulation powers to local government.

SUPPORT BUSINESS-FRIENDLY IMPLEMENTATION OF HEALTH CARE REFORM

L.A. County has the highest number of people covered under the Affordable Care Act (ACA) with about 1.5 million residents, or 15 percent of the population, now insured either through Medi-Cal or a Covered California plan. With nearly 600,000 health care jobs in the L.A. region, the health care industry is vital not only to the well-being of our residents, but also to our businesses, workforce and economy.

By increasing access to and improving the quality of health care for L.A.'s residents, the ACA highlighted how health care can drive our communities toward economic prosperity while improving quality of life. Not only is the health care industry
LEGISLATION INCLUDES:

**Oppose: SB 57 (Stern)** Upon having met all specifications imposed last year by SB 380, this bill adds additional requirements and prohibits any activity— injection or withdrawal of gas at the Aliso Canyon natural gas storage facility—until a root cause analysis of a natural gas leak has been completed, identified and released to the public.

**Support: SB 53 (Hueso)** Authorizes a weight exemption for vehicles that are operated by an engine fueled primarily by natural gas.

**Oppose: SB 739 (Chau)** Would require, by Dec. 31, 2030, at least 30 percent of heavy-duty vehicles purchased by Department of General Services for the state fleet to be zero-emission. Could support if technology neutral and incorporated near-zero language.

**For Discussion: AB 1274 (O’Donnell)** With the passage of the recent Air Quality Management Plan, the district needs funding for incentive programs to reduce emissions and achieve targets. This smog abatement bill would redistribute funds that are already collected for such programs to help reach the $10 billion over 10 year funding goal.

**Oppose: AB 378 (C. Garcia, Holden, E. Garcia)** This is inconsistent with Governor Brown’s call for the continuance of the Cap-and-Trade program; it directs CARB to rely on costlier direct control measures to meet the state’s aggressive climate change goals while allowing for the continued use of a diminished and undefined “market-based mechanism.” The Chamber supports the most cost-effective and efficient approach to achieving GHG emission reduction goals, rather than expensive direct control measures.

**Support: Greenhouse Gas fund allocations** As these funds are legislatively allotted, we support the principles that 1) dollars should be distributed equitably to Southern California region to disadvantaged communities impacted by emissions.

2) Go to programs/incentives that directly contribute to emission reductions.

MAINTAIN ENERGY RELIABILITY AND AFFORDABILITY

Reliable and affordable energy is critical to maintaining California’s economic competitiveness. The Chamber supports policies that maximize domestic energy supplies and job growth, minimize energy costs for families and businesses, reduce emissions in the most cost-effective manner possible and responsibly fund reduction programs.
SUPPORT CALIFORNIA’S WATER RELIABILITY & DROUGHT RESPONSE

**Improve:** Drought response and water supply reliability by accelerating the appropriation of State funding for groundwater cleanup, surface and groundwater storage, conservation, recycled water projects and other local resources.

Implement the Governor’s Water Action Plan to enhance California’s water supply reliability through improvements to the Sacramento-San Joaquin Bay Delta and investments in integrated water management activities and critical infrastructure, including local resources and the State Water Project.

**Support California Water Fix and EcoRestore:** The Governor’s plan to fix California’s deteriorating and outdated water distribution system is essential. Its implementation would bring Californians one step closer to a more reliable water supply. This plan is California’s only viable option to improve dated water infrastructure and protect our water supply.

**SB 231 (Hertzberg)** Allows cities, counties and local water agencies broader authority to finance local projects to clean up and reuse stormwater through amending State law and changing statutory authority that allow for the financing of stormwater projects. Agree with intent to find funding flexibility, but need to see 1) fairness in application, 2) recognition or onsite control efforts.

**Support SB 589 (Hernandez)** Requires a regional board and the State board to establish achievable schedules for compliance with water quality objectives in water quality control plans after consideration of a financial capability analysis (FCA).

**Support: AB 574 (Quirk)** Removes barriers to “direct potable reuse,” “indirect potable reuse for groundwater recharge,” and “surface water augmentation.” It then specifies four different types of potable reuse projects as “potable reuse through groundwater augmentation,” “potable reuse through reservoir augmentation,” “potable reuse through raw water augmentation,” and “potable reuse through treated water augmentation.”

DEVELOP A WORLD-CLASS CRADLE-TO-CAREER EDUCATION SYSTEM

California has made steady progress in strengthening our public education system since the great recession. We have seen an increase in graduation rates, created a new accountability and continuous improvement system that provides information about how local districts and schools are meeting the needs of California’s diverse student population, invested in expanding early childhood education and children’s health, making higher education accessible to all, including immigrant students, and eliminating the school to prison pipeline. The L.A. business community is a strong supporter of improved alignment and articulation of the full education pipeline from early childhood to K-12, to post-secondary, and the workforce. The Chamber strongly supports the emerging “California Way,” which builds on a collaborative pathway towards the creation of a better system for all students.

**SUPPORT EARLY LEARNING INVESTMENTS**

Early care and education is critical to current and long-term economic and education viability of California. A recent EdSource survey of California families indicates that nearly half of families with young children said a parent left the job market to address child care needs and that most parents spend more than 10 percent of income on child care or preschool. California must continue its forward thinking trajectory by making quality early care and education affordable, continue the 2016-17 State budget investments signed by Gov. Brown and support policies and investment for foster children 0-5, including the California Home Visiting Program that support our most vulnerable families.

- **Proceed with the 2016-17 budget commitments** that would provide nearly 3,000 additional State preschool slots and increased reimbursement rates for providers to help cover the cost of changes to the minimum wage.
- **Support: AB 1164 (Thurmond)- LA Chamber sponsored legislation.** Provides an emergency child care voucher for up to six months for foster children and children of parenting foster youth ages 0 through 3; enhanced support via child care navigators for foster families seeking care; and additional professional development in trauma-informed care for child care providers.
Support: AB 60 (Santiago & Gonzalez): Brings the state into compliance with the federally required 12-months of child care assistance by relaxing the unrealistic reporting timelines that harm families the most.

SUPPORT THE “CA WAY” AND THE NEW CALIFORNIA SCHOOL DASHBOARD

The Chamber is committed to supporting the Accountability and Continuous Improvement plan, which builds on a collaborative approach to positive education change, relies on high standards, more equitable distribution of resources through the Local Control Funding Formula and trusts local educators and communities to design education structures. Additionally, the Chamber strongly supports the implementation of Every Student Succeeds Act and the incorporation of meaningful learning, which includes acquisition of knowledge, language, lifelong learning skills and dispositions that students need to succeed in today’s world. These ideas support the Linked Learning and Deeper Learning approach for K-16 education, including a focus on STEM (science, technology, engineering and mathematics) and the arts. The Chamber strongly supports efforts to address California’s teacher shortage and mechanisms to revive this critical sector that will help prepare all students for college, career and life in the 21st century.

AB 169 (O’Donnell): Subject to an appropriation of moneys by the Legislature, establishes the High Need Teacher Grant Program, which will award one-time grant funds to students in educator preparation programs if they commit to teach in a subject area especially impacted by the teacher shortage.

AB 699 (O’Donnell): Would prohibit school officials and employees, except as required by State law, from collecting information or documents about the immigration status of pupils or their family members.

HIGHER EDUCATION & WORKFORCE COMPETITIVENESS

The Chamber supports student-centered policies to improve post-secondary student access and success, improve public higher education system effectiveness and efficiencies, expand access and eligibility for financial aid and enact workforce development strategies that better-prepare all workers to compete in the global economy. Additionally, the Chamber supports clear and transparent accountability systems that provide access to student success data and the development of comprehensive P-16 career pathways that create a systemic approach to meeting the needs of high-demand industry sectors. The Chamber is particularly focused on improving postsecondary and employment outcomes for California’s most vulnerable students, such as boys and men of color, transition-age foster youth and undocumented students.

Support SB 12 (Beall): Requires County child welfare agencies to identify a person to assist foster youth with financial aid applications, streamlines financial aid verification and expands campus based foster youth programs.

Support SB 244 (Lara): Requires that records containing personal information held by state agencies, including the CSU and California Community Colleges, be collected, used, and retained only for the purposes of assessing eligibility and providing services and prohibits disclosure of personal information, except as provided.

Repeal the pending 11.3 percent cut to Cal Grant awards for incoming students of private, non-profit colleges and universities beginning in the 2017-2018 academic year.

Support the $20 million proposed budget allocation for the Awards for Innovation in Higher Education to incent the development and implementation of innovative practices in various functional areas as determined by the Chancellor.

Support the $150 million one time budget allocation for the development of Guided Pathways at California Community Colleges.

SMART JUSTICE REFORMS

The Chamber supports policies that mitigate barriers for the reentry population and enhance access to high-quality education and workforce opportunities for justice-involved youth and adults. The Chamber also supports policies that uphold evidence-based diversion and intervention models that aim to disrupt the systemic causes of mass incarceration and dismantle the school to prison pipeline.

Support: SB 607 (Skinner) – Prevents expulsions and suspension for all pupils K-12 on the basis of “willful defiance” and “disrupting school activities” that do not pose a threat to individual or school safety and encourages alternatives to suspension or expulsion.

Support: AB 665 (Levine) – Allows military veterans currently serving a sentence for a felony conviction to petition the court for resentencing if they suffer from a mental health problem as a result of their service.

Support: AB 529 (Stone) – Requires the court to automatically seal all juvenile records pertaining to a dismissed petition. A dismissed petition may include completion of probation or an informal program of supervision or when the court or prosecutor decides not to pursue charges.
BUILD A STRONG INNOVATION ECONOMY

The Chamber is committed to ensuring California's technology ecosystem, including universities and community colleges. We encourage the State to make investments in open data to spur entrepreneurial behavior, encourage agencies to allow more demonstration projects by innovation companies, protect information privacy and cybersecurity while supporting the growth of the Internet of Things and create incentives for technology companies and the shared economy to grow.

Support: AB 241 (Dababneh) requires a state or local agency to offer free, appropriate identity theft prevention and mitigation services to individuals whose information may have been or was breached.

Support: AB 364 (Chau) would require the Governor’s Office of Business and Economic Development to complete a study by July 1, 2018 that would evaluate the economic impact of California’s cybersecurity industry to encourage and promote the growth of the industry in the state.

Support: AB 86 (Calderon) creates the state Entrepreneur-in-Residence program within the Government Operations Agency to better assist and outreach to small businesses. Additionally, this appointed group of individuals will make recommendations to the Governor and the Legislature to modernize government procedures and existing programs to make it easier to start and maintain a business in the state. This bill will appoint a maximum of 10 people to fulfill these duties.
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