



ISSUE & POLICY ROUNDTABLE

Thursday,
May 24th
12:00pm

Chair
Jim Knight

THE CHAMBER'S FORUM FOR GOVERNMENTAL AND BUSINESS CONCERNS

UPCOMING EVENTS

May

28 - Memorial Day
Chamber office
closed

June

4 - Ambassadors
Meeting
Chamber
Conference Room
271 N. Fairview
Ave., Ste 104
12:00pm - 1:00pm

7 - Board Meeting
Chamber
Conference Room
271 N. Fairview
Ave., Ste 104
8:00am - 9:30am

12 - Issue & Policy
Roundtable
UCSB Center for
Nanotechnology
Chamber
Conference Room
271 N. Fairview
Ave., Ste 104
12:00pm - 1:15pm

14 - Lemon Festival
Committee
Chamber
Conference Room
271 N. Fairview
Ave., Ste 104
8:00am - 9:30am

20 - Executive
Board Meeting
Chamber
Conference Room
271 N. Fairview
Ave., Ste 104
12:00pm - 1:30pm

27 - Business After
Hours
Magic Mixer Tour
(Info on back)
5:00pm - 7:00pm

28 - Issue & Policy
Roundtable
People's self-help
housing
Chamber
Conference Room
271 N. Fairview
Ave., Ste 104
12:00pm - 1:15pm

Traffic Solutions

Traffic Solutions' main goal is to promote and encourage alternatives to driving alone, with the goals of reducing traffic congestion, air pollution and vehicle miles driven as well as improving the quality of life for employees, visitors, and residents of Santa Barbara County.

Guest speakers Kirsten Ayars, Ayars & Associates, Strategic Public Affairs; and Kent Epperson, Director of SBCAG Traffic Solutions covered many topics related to the ride share traffic-mitigation effort and the corresponding telecommuting programs. Ayars addressed the Milpas to Hot Springs Highway 101 Operational Improvements, including a project overview and a map detailing each of the four construction stages. A pdf of this map is available on the Goleta Valley Chamber website at:

www.goletavalleychamber.com/temp/ipr/101OperationImprovements.pdf.

Epperson discussed the the Curb Your Commute rideshare traffic mitigation efforts, including a myriad of commuter and business incentives for the program.

For more information, and to sign up for this program, visit:
www.trafficsolutions.com or call (805) 963-SAVE.



**Kent
Epperson**
Director of
SBCAG
Traffic
Solutions

CONTACT INFORMATION:

kepperson@sbcag.org

(805) 961-8917

INTEREST ITEMS

ITEM 1: 2007 Job Killer Bill List

Barriers to Affordable Housing

AB 5 (Wolk) Housing Development Restrictions

Stops new housing development in the Central Valley by punishing new development for the failure of local agencies to develop flood control plans that are based on information not available until 2011.

AB 35 (Ruskin)/ AB 888 (Lieu)/ AB 1058 (Laird) Increased Construction Costs

Increases cost to businesses by shifting the development of "green state building" standards for residential, commercial and government buildings from the Building Standards Commission, which considers cost impact in their development of standards, to other state entities, which do not consider cost impact and have no experience in the development or adoption of building standards.

AB 70 (Jones) Housing Development Restrictions

Halts development of housing by imposing joint liability on cities and counties for any flood damage, if they permit housing in undeveloped areas.

AB 1065 (Lieber) Construction Costs Increase

Substantially increases the cost of housing and development in California by implementing tight energy efficiency measures for all new residential and commercial buildings without taking into account the additional costs that will be passed on to consumers.

SB 464 (Kuehl) Rental Property: Owner Restrictions

Discourages construction and investment in rental housing by forcing rental property owners to stay in business, regardless of economic circumstances.

Costly Workplace Mandates

AB 8 (Nunez) Health Care Tax on Employers

Imposes a tax on small employers who can't afford to provide health care coverage, to fund health care coverage for those who don't currently purchase it.

AB 338 (Coto) Roll Back of Cost-Saving Workers' Compensation Reforms

Undermines workers' compensation reforms and increases temporary disability costs in workers' compensation claims by increasing the number of weeks benefits can be paid, and by creating a disincentive to use utilization review to enforce medical treatment guidelines.

AB 504 (Swanson) Mandatory Payments for Striking Employees

Forces employers to pay striking employees by creating a new definition of lockout that requires an employer to pay restitution to employees.

AB 1201 (Leno) Increased Health Care Costs

Reduces access to health care due to increased labor costs resulting from unlawful altering of federal labor law governing union eligibility requirements and secret ballot union elections.

SB 48 (Perata) Health Care Tax on Employers

Imposes a tax on small employers who can't afford to provide health care coverage, to fund health care coverage for those who don't currently purchase it.

SB 180 (Migden) Increased Agricultural Costs

Hurts competitiveness of California agriculture producers, driving businesses out of state, killing jobs and increasing loss of farmland, by artificially increasing labor costs for California producers who must compete in a global market with lower than average operating costs; removes secret ballot election requirement for union representation and prohibits employer communication with employees.

SB 936 (Perata) Roll Back of Cost-Saving Workers' Compensation Reforms

Increases the cost of hiring and keeping employees by rolling back historic reforms and doubling permanent disability costs in California's workers' compensation system.

SB 942 (Migden) Increased Workers' Compensation Costs

Increases lawsuits against employers by expanding anti-discrimination laws related to workers' compensation claims and creating a legal presumption that an employer has discriminated.

Economic Development Barriers

AB 493 (Ruskin) New Vehicle Surcharge

Assesses an unfair surcharge on new vehicles, which will increase costs for small businesses to transport their goods and services.

SB 375 (Steinberg) Growth Restrictions

Limits increased transportation capacity and affordable housing, and thwarts intent of voters who approved broad-based transportation bonds, by blocking use of these funds except for narrowly defined "infill" development projects.

SB 466 (Steinberg) Increased Costs for Timber and Wood Products

Reduces the amount of timber available for harvest, resulting in lost job opportunities, and increased costs for timber and wood products, by requir-



ITEM 1 (CONTINUED)

ing landowners to give up 2 acres of forestland for every acre converted away from timber production.

SB 974 (Lowenthal) Tax on Freight Movement

Increases the cost of shipping goods and makes California less competitive by imposing an illegal per-container tax in the ports of Long Beach, Los Angeles, and Oakland.

Expensive Unnecessary Regulatory Burdens

AB 904 (Feuer) Food Packaging Cost Increase/ Collection Mandate

Increases costs on all businesses that sell food by imposing new mandates on food service packaging and creating a new requirement that food providers collect and recycle 25 percent of the food service packaging they sell.

AB 1554 (Jones) New Government Bureaucracy for Rate Regulation

Reduces health care choice, access and quality by creating additional bureaucracy to impose price controls on health care policies, while failing to address the major cost drivers of rising medical care costs.

SB 201 (Florez) Leafy Green Vegetable Cost Increases

Threatens agricultural productivity, and increases the costs of leafy green vegetables, by mandating day-to-day growing practices in statute and requiring a state waiver for any deviations.

SB 899 (Simitian) Plastic Packaging Ban

Pushes jobs out of California and increases costs for industries that use plastic packaging by banning the manufacturing and distribution of specified plastic packaging in California.

Fuel Price Increases

SB 140 (Kehoe) New Fuel Mandate

Disadvantages California businesses and increases fuel prices by creating a fuel mandate that picks a winner in the alternative fuels market, preventing the research and development of additional viable options that may be cheaper and more efficient.

SB 210 (Kehoe) Restrictive Fuel Standard

Interferes with the development of a competitive alternative fuels market and threatens job creation in California by creating a costly Low Carbon Fuel Standard that conflicts with the existing standard created by Governor's Executive Order S-7-04.

CHAMBER MIXER

This month's mixer will be something completely new – and not to be missed. Our 'Magical Mixer Tour' will allow members to visit businesses outside the Goleta City area, with refreshments at each stop, plus coffee and desert at the last stop. Santa Barbara Airbus will pick attendees who RSVP up at the Chamber, and then shuttle us to each stop, allowing time to network and enjoy the scenery. To attend you must RSVP by June 25th. To RSVP, call (805) 967-2500 or email anna@goletavalley.com. The Airbus will depart the Chamber offices at 5:15, and return at 7:15. Don't miss this unique event!

WHO: Goleta Valley Chamber of Commerce

WHAT: Business After Hours Mixer – great networking, entertainment, food and beverages.

WHEN: Wednesday, June 27th, 5:00pm - 7:00 pm

WHERE: Departs from the Chamber office
271 N. Fairview Ave.
Suite 104
Goleta, CA 93117

COST: Chamber Members - \$5
Non-Members - \$10

LABOR LAW

Court Decision Increases Importance of Properly Classifying Employees

Please explain the recent Supreme Court decision regarding payment for missed meal and rest periods and the decision's impact on payment of premium pay.

Before the recent decision, the Labor Commissioner and the California courts always had allowed three years for the recovery of unpaid overtime. In addition, if the employer fails to pay overtime owed at termination, the employee is entitled to waiting time penalties.

In contrast, when an employer fails to pay a split shift or reporting time pay, traditionally the Labor Commissioner has allowed only a one-year statute of limitations.

Wage Orders

Industrial Welfare Commission Wage Orders, which apply only to non-exempt employees, have sections dealing with penalty pay, including the following:

- Section 4 provides for an additional hour's pay at the minimum wage on a day the employee works a split shift.

- Section 5 requires that employees be paid for one-half of their usual or scheduled day's work on any day they are required to report for work and do not work or are furnished less than half of their usual or scheduled day's work, otherwise known as reporting time pay.

- Sections 11 and 12 and Labor Code Section 226.7 require employers to give non-exempt employees a certain number of rest and meal breaks, depending on the number of hours worked each day. For each day an employer fails to provide an employee with a required meal or rest period, the law requires that the employee be paid one additional hour at the employee's regular rate.

A 2006 decision of the Labor Commissioner determined that the meal break pay was a "penalty" rather than a "wage." This decision was important because employees could collect back penalties for only one year, whereas claims for unpaid wages can go back three years.

Court Decision

On April 16, the California Supreme Court disagreed with the Labor Commissioner, finding in *Murphy v. Kenneth Cole Productions, Inc.* that the missed meal or rest break pay is actually wages – not a penalty – with a three-year statute of limitations. The court stated that meal and rest break pay, like overtime, split shift and reporting time, amounted to premium pay.

The court's decision invalidates the Labor Commissioner's earlier opinion. In *Murphy v. Kenneth Cole*, the employer wrongly classified the employee as an exempt manager because the majority of the employee's work time involved non-exempt duties such as stocking shelves and cleaning. As an exempt employee, he was not provided meal or rest breaks.

The court found that the employee was in fact a non-exempt employee and was entitled to meal and rest breaks or the additional hour of pay for the employer's failure to provide them going back three years.

Undecided Issue

One important issue that the court did not address is what would happen if an employee quits or is terminated without having been paid for the missed meal and/or rest breaks.

Is the employee able to claim waiting time penalties, which can require the employer to pay up to 30 days of wages as a penalty for not having paid all wages due at the time of termination?

Since the court reasoned that meal and rest pay is considered wages, a former employee who has not received meal and rest pay, as well as split shift differential and reporting time pay, may well be able to claim waiting time penalties.

Proper Classification Key

This decision makes it more important than ever to properly classify employees as exempt or non-exempt and ensure all non-exempt employees take all required meal and rest breaks.

Failure to provide those meal and rest breaks can result in liability for three years of payments for the one hour of premium pay for each missed meal or rest period, plus waiting time penalties of up to 30 days of pay.

An Exempt/Non-Exempt Wizard is available at www.hrcalifornia.com. 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.
Gary Herman, Labor Law Consultant

LOCAL POLITICAL CALENDAR

June

4 - City Council Meeting
1:30pm & 6:00pm
Goleta City Hall
130 Cremona Drive, Ste. B

5 - Design Review Board
3:00pm
Goleta City Hall
130 Cremona Drive, Ste. B

IPR is the Chamber's forum for governmental and business concerns. The IPR committee will endeavor to study and take positions, when appropriate, on local regional and state issues that affect business and commerce in the Greater Goleta Valley.

The Chamber is the largest and most broadly based business representative in the Goleta Valley. It is the Chamber's role to promote a platform of economic health and vitality for the Goleta Valley on behalf of our members. IPR meetings and discussions are open to all Chamber members. When voting on an action item, all members present will be asked to vote. To be valid, votes must include a majority of the committee members listed below:

Kristen Amyx
Jean Blois
Mark Dispenza
Mark Ingalls
Jim Knight
Bill Macfadyen
Tim Mahoney
Bill Redding

THE GOLETA VALLEY CHAMBER OF COMMERCE IS A MEMBER OF THE FOLLOWING ORGANIZATIONS:



THE REGIONAL LEGISLATIVE ALLIANCE OF VENTURA AND SANTA BARBARA COUNTIES
legislativealliance.com
5046 Santa Susana Avenue,
Santa Barbara, CA 93111
p: 805.637.6816



CALIFORNIA CHAMBER OF COMMERCE
calchamber.com
P.O. Box 1736,
Sacramento, CA 95812-1736
p: 916.444.6670

U.S. CHAMBER OF COMMERCE
uschamber.com
U.S. Chamber of Commerce
1615 H Street, NW
Washington, DC 20062-2000
p: 202.659.6000