



ACCESS SACRAMENTO

March 22 -23, 2011

MAKE CALIFORNIA WORK AGAIN

Immediate actions for budget stability, economic recovery and long-term growth



The actions taken in Sacramento in 2011 will determine California's course for many years to come. Business growth and new jobs are being stymied by anti-competitive business regulations. Residents are losing faith in the State's ability to deliver essential services. And all of us demand fiscal reforms, including a long-term strategy for budget stability.

The Los Angeles Area Chamber of Commerce advocates for the following priorities which our members believe are absolutely essential. Our Chamber looks forward to working with lawmakers in order to move these priorities forward and make California work again.

REFORM CALIFORNIA'S ANTI-JOBS REGULATORY ENVIRONMENT

Improve California's CEQA Law

The California Environmental Quality Act (CEQA) was originally intended to protect the environment and ensure smarter development. While CEQA has resulted in many positive gains, the law has increasingly been abused to delay projects for reasons wholly unrelated to environmental protection. With California's high unemployment rate and urgent need to create jobs and relieve strained government budgets, we have an excellent opportunity to make CEQA work again. See *addendum for detailed recommendations*.

Top-to-Bottom Review of All Business Regulations

Decades of regulations on job creators have cumulatively made California one of the most difficult places in which to create jobs. Many regulations are outdated, ineffective or overly-burdensome. However, no coordinated effort has been made to clean up this broken system. The Chamber supports a system-wide review of all regulations to understand their economic impacts and determine which ones should stay or go.

Responsible Implementation of Regulations

The Legislature must act upon the valid concerns of job creators throughout California about upcoming energy and environmental legislation to ensure fair and balanced implementation. They must recognize that quick implementation without adjusting for the deep recession can significantly hurt struggling businesses and working families

in California. **Support AB 135 (Hagman) to require a small business voice on CARB.**

Fix Broken Meal & Rest Period Rules

California's ambiguous meal and rest period rules are a litigation nightmare for employers. Currently, employees must be forced to take their break period even if they choose to continue working. The Chamber supports legislation to clarify these rules and end costly lawsuits that drive job creators out of California. **Support SB 144 (Wyland) and SB 839 (Dutton)**

Modernize Flexible Work Schedule Regulations

The regulatory barriers to flexible work scheduling in California hurts both employers and non-exempt (hourly) employees. Today's one-size-fits-all process is overly-complicated and fails to respect the personal preferences of individual employees. The Chamber supports a simplified process that allows individual employees to choose the option that works best for their lifestyle while still ensuring important workplace protections. **Support AB 830 (Olsen)**

Fast-Track Hospital Construction Approvals

The Office of Statewide Health Planning & Development's lengthy approval process is holding back hospital construction projects worth an estimated \$23 billion. These projects would support 232,000 jobs, pay \$15.6 billion in wages and generate almost \$2 billion in state and local tax revenue.* Aggressive steps to reduce the approval backlog and get these projects moving would put thousands of Californians to work.

*Source: L.A. County Economic Development Corporation



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ENACT BUDGET & TAX REFORMS FOR LONG TERM FISCAL STABILITY

Enact Meaningful Pension Reform

State leaders have yet to address skyrocketing public pension and health care liabilities. The Chamber agrees with the Little Hoover Commission on the following recommendations for meaningful reform:

- >> The Legislature should give state/local governments the authority to alter future, unaccrued retirement benefits for current public employees.
- >> Develop a new "hybrid" pension model – mix of lower-level defined benefit and 401(k) style plans.
- >> Raise the retirement age and index to Social Security.
- >> Cap maximum allowed pensions and calculate using final average five years of salary.
- >> Prohibit the banking of unused sick or vacation days towards final benefits.

Implement Performance-Based Budgeting

Require clear goals and measure the effectiveness of every program as part of the state budget process. Performance-Based Budgeting (PBB) is a proven method to ensure that public resources are spent as effectively as possible. This will require that all state programs provide clear and measurable goals as well as establish objectives against which those programs can be held accountable. PBB is successfully used in Florida and Washington, and is a critical component to restoring fiscal responsibility and public confidence in state government.

Support SB 14 (De Saulnier, Huff, Wolk)

Begin Multi-Year Budgeting in California

Budgeting from year-to-year without a long range plan is not working for California. The Chamber supports implementing multi-year budgeting based on a five-year fiscal forecast.

Support SB 15 (DeSaulnier, Wolk)

Enact E-Fairness Tax Rules for E-Commerce

The lack of sales taxes on Internet purchases is one of the factors driving online sales growth, resulting in the loss of business for other retailers and loss of tax revenue for state and local budgets. The Chamber supports legislation that would

level the playing field between all retailers, both online and brick and mortar establishments located within the state.

Support AB 153 (Skinner), AB 155 (Calderon) and SB 234 (Hancock)

END CHRONIC AND VETERAN HOMELESSNESS

Support Home for Good – A Strategic Plan to End Chronic and Veteran Homelessness in Los Angeles

The United Way of Greater Los Angeles and the Los Angeles Area Chamber of Commerce partnered in 2009 to create the Business Leaders Task Force on Homelessness. The Task Force spent more than a year studying best practices and developed a five year strategic plan to end chronic and veteran homelessness in Los Angeles. Hailed by local elected officials and community leaders, the plan calls for the city and county to prioritize the most vulnerable citizens by redirecting funds for permanent supportive housing.

Create State Intergovernmental Agency on Homelessness

A California Interagency Council on Homelessness is critical in coordinating the statewide work to end homelessness. The Interagency Council should include leaders of State agencies, State legislators and key community experts, coordinated and staffed by the Lieutenant Governor's office. The Council would work to coordinate and align strategies among State agencies to address homelessness across the state.

STRENGTHEN CALIFORNIA'S EDUCATION SYSTEM

The L.A. Area Chamber is proud to have perhaps the largest education and workforce development team of any business organization in the United States. We know that the future of our economy is determined by the effectiveness of our education system and the quality of our workforce. **This session, we have sponsored/co-sponsored the following legislation to strengthen our system for years to come:**

3.8 million

the number of jobs lost due to business regulation in California

Cost of State Regulations on California Small Business Study, September 2009

\$875 million

the cost each year to manage homelessness in our region rather than end it

United Way of Greater Los Angeles. Homeless Cost Study, 2009



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AB 18 (Brownley) – Requires the Superintendent of Public Instruction (SPI) to make statutory and regulatory changes recommendations that would modify the format and requirements of education funding in California.

AB 250 (Brownley) – This bill will create a framework for California to establish education standards for 21st century competitiveness and reengineer our current process of adopting instructional materials and textbooks by aligning the process with new state standards and a 21st century digital delivery medium.

AB 790 (Furutani) – Establishes a Linked Learning high school pilot program that would allow participating districts to implement a district-wide Linked Learning approach in all high schools, incorporating strategies such as small schools, problem-based instruction methods and applied learning throughout all subject areas. This pilot would demonstrate effectiveness and encourage replication.

AB 1304 (Block) – Supports teacher development, understanding and implementation of applied learning strategies in the classroom, as well as creates a visible teacher pipeline for Linked Learning throughout California.

Support Education during Economic Uncertainty
California must consider a systems change to protect and ensure a quality public education during this fiscal crisis. Engaging and influencing the Governor, the State Superintendent of Public Instruction, LAUSD and local education leaders to help reengineer the state's P-16 public education system and establish 21st century foundation core areas — such as curriculum and assessment, accountability, school improvement, finance reform and educator quality — will help sustain the system in this dire climate.

Sustain Early Education
Support California's new Governor and State Superintendent of Public Instruction in this fiscal crisis by identifying alternatives and solutions to fund and maintain early education as part of an effort to achieve a more efficient and effective state government. The Chamber supports creating

a foundation for a comprehensive P-16 system that will help close the achievement gap and promote Preschool to third grade (P-3) alignment to increase reading proficiency as well as the development of a Quality Rating and Improvement System (QRIS) that will promote higher quality standards high within early learning programs in California.

Promote Linked Learning for K-12 Students

Expand access to Linked Learning practices — programs of study that connect learning in the classroom with real-world applications outside of school. Linked Learning helps engage students and provides high quality learning experiences by bringing together strong academics, demanding technical education and real world experience, in efforts to develop a more trained 21st century workforce.

- >> Support and pass Chamber-sponsored Linked Learning bills: AB 790 (Furutani) and AB 1304 (Block).
- >> Implement the Multiple Pathways to Student Success, Envisioning the New California High School Report released by the California Department of Education, authorized by AB 2648 (Bass) in 2008.

Re-establish California as the “Gold Standard” for Post-secondary Student Success and Attainment

To ensure student success, the Chamber supports the implementation of a comprehensive P-16 student data tracking system, support increased accountability for student performance outcomes and broaden access to higher education for all students, including immigrant students. The Chamber will continue to advocate for and support improved funding and performance outcomes for California's post-secondary institutions.

Given the current fiscal crisis, the Chamber will help ensure that critical priorities are addressed first and set in a long-term path that will reinvest in and rebuild California. This includes improving college readiness, increasing financial aid access, and helping California develop a strategic blueprint to lead the nation in developing innovative reforms to foster improved certificate and degree completion rates.

49 out of 50

California's position in a list of the most business-friendly states in America

CNBC's America's Top States for Business 2010 – Business Friendliness Rankings

More than \$100 billion

California's pension liability

Riordan-Rubalcava Pension Report, May 2009

49

California's ranking on the 2011 state business tax climate index

Tax Foundation's 2011 State Business Tax Climate report, October 2010

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