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Headline Summary

- PIC's Position on Initiatives
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- Paid Sick Leave
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Post "Time Off to Vote" Notice

State law requires employers to post a notice to employees advising them of provisions for taking paid leave for the purpose of voting in statewide elections.

Employees can be given as much time as they need in order to vote, but only a maximum of two hours is paid (voting hours are from 7a.m. to 8p.m.) Employers may require time off to be taken only at the beginning or end of the employee's shift.

Sample notices can be found online as a PDF.

For English visit: www.sos.ca.gov/elections/tov_final.pdf.

For Spanish visit: www.sos.ca.gov/elections/Outreach/posters/tovsp.pdf.

WatchDog

Guarding the Business of Print

October 2014

PIC Position on Initiatives

Below is a list of November statewide ballot propositions with PIC position on each.

Proposition 1: Water Quality, Supply, and Infrastructure Improvement Act of 2014. Allows the state government to borrow more than \$11 billion to refurbish the state's water system. Even though the measure will have an impact on the state's finances, as the state already has a total bond debt of almost \$90 billion, the measure helps address the state's crumbling infrastructure. **Support**



Proposition 2: Budget Stabilization Account. Legislative Constitutional Amendment. Put on the ballot by the Legislature, if passed the initiative would force the Legislature to put 3 percent of revenue into the rainy day fund. **Support**



Proposition 45: Healthcare Insurance. Rate Changes. Initiative Statute. Lets the state regulate health insurance companies as it already does car and homeowner insurance companies. The state insurance commissioner would have to approve rate changes, among other new regulations of insurance companies. **Oppose**



Proposition 46: Drug and Alcohol Testing of Doctors. Medical Negligence Lawsuits. Initiative Statute. Prop. 46 would raise the 39-year-old cap on medical malpractice damages, capped at \$250,000 and require random drug testing of doctors. **Oppose**



Proposition 47: Criminal Sentences. Misdemeanor Penalties. Require misdemeanor sentencing instead of felony for the following crimes:

- Shoplifting, where the value of property stolen does not exceed \$950
- Theft, where the value of the stolen property does not exceed \$950
- Forgery, where the value of forged check, bond or bill does not exceed \$950
- Fraud, where the value of the fraudulent check, draft or order does not exceed \$950
- Possession of a narcotic drug
- Possession of concentrated cannabis

No Position

Proposition 48: Indian Gaming Compacts. Referendum. The initiative concerns Assembly Bill 277, a compact between California and the Wiyot Tribe and the North Fork Rancheria of Mono Indians. The compact allows for Native Americans to build a large new casino off Highway 99. A yes vote allows them to build; a no vote overturns the compact and prevents the new casino complex from being built. **No Position**

CA Seeks Waiver of UI Tax Increase

California is seeking a waiver from the United States Department of Labor (USDOL) for an impending unemployment insurance (UI) tax increase. The increase was triggered this year due to our continued federal UI loan debt for the program. Without this waiver, California manufacturers will experience a significant hike in their UI tax obligation beginning next year.

California employers currently owe approximately \$10 billion in debt to the federal UI trust fund. Since 2012, the federal UI tax, commonly known as the "FUTA" tax, has been automatically increasing by approximately \$21 per year to facilitate repayment of the loan. However, at the fifth consecutive year of debt, an additional tax increase, called the Benefit Cost Rate (BCR) add-on, is triggered. The BCR add-on has never been triggered before. It is calculated by using a complicated formula that will result in about a two percent increase in California employers' federal UI tax in 2015, which equates to hundreds of millions of dollars or more.

Two states have reached their five-year mark (Indiana and South Carolina) and have obtained waivers from the USDOL in 2013. California and 15 other states are at risk of the BCR add-on this year. A decision on California's waiver application is anticipated sometime in October.

California Bans Plastic Bags

Governor Jerry Brown signed legislation (SB 270) making California the first state to ban single-use plastic bags. The ban will be phased out on the following timeline:

- January 1, 2015, at grocery stores or retailers with at least 10,000 square feet of retail space and pharmacies.
- July 1, 2016, at a convenience food stores and foodmarts.

Consumers will then face a choice: either purchase a reusable bag, or pay at least 10 cents for a paper bag or a multiuse plastic carrier that meets a set of state durability standards.

Paid Sick Leave

Governor Jerry Brown signed into law Assembly Bill 1522 (Healthy Workplaces, Healthy Families Act of 2014), better known as "Paid Sick Leave."

The effective date of the law is July 1, 2015 and includes the following provisions:

- Paid sick up to 24 hours or 3 days in each year of employment
- An employee who works within California for 30 days or more within a year from commencement of employment qualifies for sick leave.
- Paid sick days accrues at the rate of one hour per every 30 hours worked, beginning at the commencement of employment or the operative date of this bill, whichever is later.
- Exempt employees are deemed to work 40 hours per week, unless the employee's normal workweek is less than 40 hours per week, in which case the employee shall accrue paid sick days based upon that normal workweek.
- Employee entitled to use accrued sick days beginning on the 90th day of employment, after which the employee may use paid sick days as they are accrued.
- Accrued paid sick days carry over to the following year. However, employers can limit use of paid sick leave to 24 hours or three day in each year of employment.
- If an employee separates from an employer and is rehired by the employer within one year from the date of separation, previous accrued and unused paid sick days shall be reinstated. The employee shall be able to accrue additional sick days upon rehire.
- Employer provides employee written notice that set forth the mount of paid sick leave available on either the employee's itemizes wage statement or in a separate writing provided on the designated pay date with the employee's payment of wages.
- The employer shall display a poster in a conspicuous place contain the following information:
 - An employee is entitled to accrued, request, and use paid sick days.
 - The amount of sick days provided for by this article.
 - The terms of use of paid sick days
 - Retaliation or discrimination against an employee who requests paid sick days is prohibited and employee has the right to file a complaint with the Labor Commissioner again the employer
- Fine are \$100 for each violation

We'll provide more information as the July 1, 2015, deadline approaches.

Cost of Doing Business

Labor and energy costs were highlighted in a new study analyzing the elements of California's 19 percent higher-than-average cost of doing business.

The California Foundation for Commerce and Education study shows that California's per-job costs are higher than every other Western state, and most other large states. Electricity rates were an important reason why the researchers estimate that a sample automobile manufacturer in California would have costs 33 percent higher than the national average.

Higher-than-average business taxes (22 percent higher) and legal costs (15 percent higher) also contribute to California's struggle to remain competitive in national and global markets.

Source: Andrew Chang & Company, LLC, prepared the study, "The Cost of Doing Business in California," <http://www.calchamber.com/cfce/documents/cfce-cost-of-doing-business-in-california.pdf>.

