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### Headline Summary

- PIC Opposes SB 1387
- PIC Oppose Proposition 30
- New Overtime Rule
- Legislative Transparency
- The Economy Top Issue
- Public Pension Reform Needed
- ADA Suits

## PIC Opposes Proposition 30

As we come closer to general election, the PIC Board of Directors will voted to recommend either to support or oppose a proposed ballot measure

We have taken a position on Proposition 30 that extends income tax rates on the highest earners until 2031. The tax increases are to expire at the end of 2018.

An extension of Proposition 30 would make the tax virtually permanent, even when the state's budget is balanced. In voting to oppose the proposed tax extension, we believe the extension is too hasty. The state currently has more than \$3 billion in reserves and Governor Brown has proposed a balanced budget that pays down debt and saves even more for future economic downturns.

# WatchDog

Guarding the Business of Print

June 2016

## PIC Opposes AB 1387

Senate Majority Leader, Kevin de Leon, is pushing AB 1387 to amend the South Coast Air Quality Management District's (SCAQMD) current jurisdiction and the make-up of its Governing Board (Board). In opposition to a proposal supported by environmental groups, the Board voted to adopt a market-based NOx emissions reduction of 12 tons per day instead of the 14 tons proposed by environmental groups.

This set off a chain reaction in Sacramento. AB 1387 takes power away from the SCAQMD and moves it to Sacramento, giving the legislature and California Air Resources Board the final say over local rules.

Moreover, the measure expands the SCAQMD Governing board by three to increase the membership to 16, with the additional members appointed by the Governor, the Senate Committee on Rules, and the Speaker of the Assembly. It requires the new appointees be representatives of a bona fide nonprofit environmental justice organization that advocates for clean air and pollution reductions in one or more communities within the South Coast Air Basin.

## New Overtime Rule

The U.S. Department of Labor has finalized its new overtime rule to ensure, in the Department's words, that extra work means extra pay.

The rule goes into effect December 1, 2016. The rule raises the salary threshold at which white-collar workers are exempt from overtime pay from \$23,660 to \$47,476 (approximately \$921 per week).

Currently the California minimum compensation is \$41,760 annually. It will rise to \$45,936 on January 1, 2017 and \$50,112 on January 1, 2018. Thus the Department of Labor rate will apply to California companies between December 1, 2016 and January 1, 2018, at which time the higher California rate (\$50,112) will kick in.

Both the DOL and California regulations have provisions defining the duties of employees who can be exempt from the payment of overtime.

For example, performing "executive" duties means supervising the work of two or more employees; "administrative" duties requires the performance of non-manual work directly related to the management of the business and exercise of discretion and independent judgment, among other criteria; "professional" duties involve the performance of work that requires advanced knowledge that is predominantly in nature and which requires exercise of discretion and judgment; "outside sales" means the primary duty is making sales, and the employee must be regularly engage in activity away from the employers pace of business.

## Legislative Transparency

Assemblywoman Kristin Olsen has continually pushed for a law to require all legislation to be posted online for 72 hours before it can be voted on in the Assembly or Senate. The measure, however, has never come close to passage because too many legislators prefer to deal in the dark when it comes to making their activities public.

This may be about to change. More than 1 million signatures have been gathered to place the California Legislative Transparency Act on the Nov. 8 ballot. With the people about to weigh in, many legislators are considering their own alternatives. Why now, and why are the legislators so concerned? Probably because they don't want voters to think they are opposed to such action.

"The legislature is talking about this now because of the initiative," said Olsen. "Amazing how that happens."

Many organizations are already lining up to support this initiative, such as the League of Women Voters, Common Cause, the California Business Roundtable, the Howard Jarvis Taxpayers Association, and we may add Printing Industries of California—your government affairs office.

### The Economy Top Issue

Nearly three quarters of California primary voters say the economy and jobs are the top issues on their mind as they voted in the June 7th primary.

According to the USC Schwarzenegger Institute for State and Global Policy/Field poll released just before the primary, 73 percent of Democrats and 77 percent of Republicans say that they are most concerned about the economy and jobs when casting their votes. But the similarities between the two parties end there.

Besides the economy, the next most important issues for Democratic voters are education, ensuring clean air and water, healthcare and equal pay for women. (cont.)

## The Economy Top Issue (cont.)

In contrast, Republican voters care most about terrorist threats and national security, reducing the size of government, Social Security solvency, Supreme Court appointments, immigration, and healthcare.

The poll also found that the vast majority of voters, 69 percent, want a candidate willing to make compromises to get legislation passed, versus the 27 percent of voters who prefer a candidate that doesn't compromise their beliefs.

## Public Pension Reform Needed

If all of California's public pension debt were divided evenly by household, each house would need to pay \$77,700, according to a new study by Stanford University. California's debt ranks third among all states, right behind Alaska, \$113,137 and Illinois, \$77,822 and just ahead of Connecticut, \$72,862 and Hawaii \$61,156.

That's not to say that each Californian is responsible for paying \$77,000, but the costs will fall on residents in different ways, as state and local governments figure out how to pay the debt, said Stanford policy professor Joe Nation.

By comparison, Texas ranked 34th and New York ranked 25th on the list. Tennessee ranked the best at 50th, meaning that each household would pay just \$17,661 if its pension debt were divided by household.

The public sector can manage its debt by raising various kinds of taxes or cutting services. Governments can also hike contribution rates on public employees and employers — but those actions can also lead to greater cuts and taxes.

In total, California's public governments have obligations for \$991 billion for which there is no current plan to pay. The total involves the state's two major public pensions systems as well as pension plans for every local government agency.

The study can be found at <http://us.pensiontracker.org/index.php>.

## ADA Suits

Governor Jerry Brown recently signed a bill that would make it harder for people to take advantage of the Americans with Disabilities Act (ADA).

Under Senate Bill 269, small businesses with less than 50 employees would have time to fix access violations. Small businesses can hire a Certified Access Specialist (CAsp) and would have 120 days to fix any violations. If the business was being sued, they would have 15 days to address those violations.

Assemblymember Kristin Olsen, who helped write the bill, says 40% OF ADA lawsuits are filed in California, yet only 12 percent of the national disabled community lives in the state.

She's hoping to reform ADA laws to increase access but protect local small businesses from "frivolous and abusive lawsuits."

Some examples of minor violations include toilet paper rolls that are too low or too high, toilet flush handles that are on the side closest to the wall, or parking lines that are a quarter of an inch off.

Assemblymember Olsen also believes there is more work to do to reform ADA legislation to help the disabled community while protecting small businesses.

