

HIT THE PAUSE BUTTON

CALIFORNIA EMPLOYERS ARE EXHAUSTED BY MANDATES AND NEED A BREAK

ISSUE: Employers Need a Break from Sacramento Mandates in 2024

Please hit the pause button on any new employer mandates. California employers are the working men and women who risk their own capital and carry debt to provide jobs and contribute to our economy. The sheer number of employer mandates coming from Sacramento including new labor code requirements affecting mandatory paid and unpaid leave, employer reporting, complex record keeping and increased threat of litigation, fines and civil penalties for any potential incident of non-compliance are having a cumulative impact on employers.

California's historic mandates in addition to ***inflation, higher interest rates, higher wages, reduced access to capital*** and the ***uncertain economy*** cannot be ignored. We ask for your awareness of these existing burdens on the California employer and the cumulative pressure it is having on our ability to remain productive job providers.

KEY POINTS:

- **Endless Lawsuits Against Employers** – PAGA along with endless creation of new and costly civil actions against CA employers each legislative session.
- **Unemployment Insurance (UI) Taxes.** California's UI fund is depleted and \$18B in debt. Under the current system, it will take years of higher taxes on California employers to pay it back. Federal law will increase the taxes California employers pay in 2023 by 0.3%, or \$21 per employee. The tax will continue to go up by an additional \$21 per employee each year (estimated to be \$189/employee in 2031) until the debt is repaid, which could be in the early 2030s assuming there's not another recession.
- **Highest Minimum Wage of any State.** California increased its minimum wage to \$16 on January 1, 2024 triggering a cost multiplier effect on employment taxes, workers compensation, collective bargained agreements and determinations of exempt employees.
- **Expansion of Paid Sick Leave and Mandated Employee Leave.** SB 616 (2023), AB 1041 (2022) and AB 1949 (2022) expanded paid sick leave mandates and confused family leave criteria AND bereavement leave mandates opening California employers up to new litigation and fines.
- **New Mandated Employee Data Reporting Requirements.** SB 1162 (2022) created new and confusing requirements for employers when advertising for new positions and reporting to the state payroll information under threat of new litigation and significant civil penalties.
- **COVID Mandates – Debt Still Exists.** Businesses were required to absorb significant new costs including forced business closures, new mandated supplemental paid sick leave, required Cal/OSHA exclusion pay, PPE and outfitting of workplaces with new equipment to comply with statutes and regulations. It will literally take years for businesses to absorb the debt of these additional costs during FYs 2020-22.
- **Decarbonization Mandates** – Under Sacramento's "decarbonization" mandates, California employers must absorb new costs associated with the purchase of new fleets, manufacturing equipment, stoves, boilers, and heat pumps beginning in 2025.
- **Energy and Fuel Costs** – California's energy prices remain amongst the highest in the nation and are expected to continue to increase in the future due to increased demand, grid instability and lack of adequate GHG-free electron generation.

ALL EMPLOYER MANDATE BILLS IN 2024

POSITION: PLEASE **HIT THE PAUSE** BUTTON IN 2024.