CALIFORNIA CHAMBER LEADERS NETWORK

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CALIFORNIA CAPITOL CONNECTION

Empowering chambers. Advancing business. Strengthening California.



Strengthening Local Chambers Through Engagement, Strategy, and Shared Learning

As we wrap up the legislative session for this year, I want to begin by thanking the many local chambers that participated in CalChamber's legislative briefings, signed onto coalition letters, and engaged in grassroots advocacy efforts throughout the legislative session. Your voices, relationships, and advocacy are critical to advancing pro-business policies that support California employers, strengthen our economy, and create opportunity in communities across the state.

The success of our advocacy efforts depends on the strength of our statewide chamber network, and we are grateful for your partnership. Beyond our work together on public policy, 2026 has also provided new opportunities to strengthen relationships with local chambers through strategic planning support, direct engagement at local events, and peer-to-peer collaboration opportunities designed to help chambers thrive.

Helping Chambers Build for the Future

This year, I had the privilege of facilitating board retreats for several local chambers across California, including the Tehachapi Chamber of Commerce, Yountville Chamber of Commerce, Lomita Chamber of Commerce, Redondo Beach Chamber of Commerce, and the Silicon Valley Chamber of Commerce. These sessions provided chamber leaders and board members with dedicated time to evaluate priorities, address challenges and opportunities, and align around strategic goals for the future. A strong strategic plan helps chambers remain focused, responsive, and impactful in serving their members and business communities. Through these retreats, we shared insights, best practices, and guidance designed to help chamber leaders strengthen governance, clarify priorities, and position their organizations for long-term success.

As you begin planning for 2027, consider whether a facilitated board retreat could help your chamber advance its goals. If your chamber is interested in strategic planning support or board retreat facilitation, I would welcome the opportunity to connect and discuss how CalChamber can help.

Showing Up and Connecting with Local Chambers

Supporting local chambers also means being present in the communities they serve. Throughout the year, our team attended and engaged with chamber

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events across the state, including business expos hosted by the Oceanside Chamber of Commerce, Livermore Valley Chamber of Commerce, and Alameda Chamber & Economic Alliance.

These events provide valuable opportunities to connect with chamber leaders, business members, and community partners while learning about the unique priorities and successes of local chambers. They also allow us to share CalChamber resources and strengthen relationships that help advance our collective advocacy efforts.

We appreciate the warm welcome from each chamber and look forward to participating in more local events in the year ahead.

Creating Opportunities for Peer Learning

Another exciting initiative this year has been our monthly Chamber Best Practices Roundtable. These virtual gatherings bring chamber professionals together to exchange ideas, discuss emerging trends, and share practical solutions to common challenges. From membership growth and non-dues revenue strategies to events, communications, and governance, the roundtables have become a valuable forum for collaboration and professional development.

The conversations consistently demonstrate the creativity, innovation, and resilience of California's chamber leaders. The strength of our chamber network lies in our willingness to share knowledge and learn from one another, and we are grateful to everyone who has contributed to these discussions.

Looking Ahead

As we continue into 2027, CalChamber remains committed to supporting local chambers through strategic guidance, advocacy, engagement, and opportunities for collaboration. Together, we can continue building stronger chambers, stronger businesses, and stronger communities throughout California.

If your chamber is interested in board retreat facilitation, strategic planning support, or participating in our monthly Best Practices Roundtable, I invite you to reach out. We look forward to partnering with you in the year ahead.



The **Alameda Chamber of Commerce and Economic Alliance** welcomed CalChamber to its Discover Alameda Business Expo, Career Fair & Mixer on October 17. CalChamber representative **Jennifer Johnson** (left) is pictured with **Madlen Saddik**, President/CEO (right).

CALIFORNIA BUSINESS ADVOCACY ACADEMY

The California Business Advocacy Academy (CBAA) is a statewide 6-month professional development program to elevate chamber-led advocacy and build a cohesive, educated network of grassroots leaders across California ready to advocate for a stronger business climate.

Register today at: cvent.me/EyDDmV

Closing Days of Legislative Session Produce Strong Results for Business Community



A review of the status of CalChamber Affordability Agenda bills when the Senate and Assembly adjourned on Sept. 1 shows much good news for California businesses and consumers.

Legislators sent two Cost Cutter bills to Gov. Gavin Newsom and only two of the 31 bills identified by CalChamber this year as Cost Drivers. Amendments to the remaining Cost Drivers removed their most onerous provisions.

Stopped on the final day of the legislative session was a Cost Driver proposal that would have exposed businesses to litigation for offering discounts. In addition, several Cost Driver bills first introduced last year failed to advance before the end of the two-year session.

Advocacy efforts by several California Chamber of Commerce coalition partners, including local chambers of commerce, were significant in securing the positive results.

Below is a brief recap of end-of-session legislative activity. The governor has until Sept. 30 to sign or veto legislation.

Cost Cutters

Legislators sent the following Cost Cutters to the governor.

• **AB 2124 (Pacheco; D-Downey)** Improves How the Legislature Evaluates the Cost of Energy Policy Decisions through Independent Ratepayer Impact Review. Supports more cost-effective policymaking by creating a framework for independent evaluation of proposed legislation that imposes costs on utility customers, helping identify unnecessary or duplicative programs and reducing future rate pressure.

• **AB 1693 (Zbur; D-Hollywood)** Accelerated Building Plan Approval. Tenant Improvements. Streamlines permitting for tenant improvements at retail locations, while ensuring compliance with all applicable building, health, and safety requirements.

Cost Drivers Stopped

• AB 2564 (Ward; D-San Diego) Litigation Risks for Offering Discounts. Exposes companies who offer discounts to potential liability for offering basic, consumer-friendly discounts if they fail to fit into the bill's three, limited, allowable forms of discounts. Also infringes on the California Consumer Privacy Act (CCPA) by creating new disclosure obligations that businesses must comply with in order to use personally identifiable information to offer discounts, despite the CCPA already having such standards for rewards programs. Failed to advance before the end of the legislative session.

• **AB 1018 (Bauer-Kahan; D-Orinda)** Impact Assessments of Automated Decision Systems. Limits use of automated decision systems (ADS), including by small businesses, which will lead to significant liability and increased costs that will ultimately be borne by consumers. It would also hinder many beneficial uses of ADS, including but not limited to: enabling faster approvals and expanded access to credit and enhancing real-time fraud detection. Two-Year Bill Introduced in 2025. Removed from Senate Inactive File 8/21/2026. Failed to advance before the end of the legislative session.

Cost Drivers to Governor

• **AB 2575 (Ortega; D-San Leandro)** Discourages Artificial Intelligence in Health Care. Requires unworkable disclosure requirements for using AI tools in a health care setting. Places complete liability for harm of patient on health care entities and developers if using AI-enabled tools.

• **AB 2646 (Krell; D-Sacramento)** Drives Up Agricultural Labor Costs and Threatens California Farm Competitiveness. Threatens the H-2A program, which many agriculture employers rely on to fill labor shortages, by creating a minimum wage of $19.75 for any H-2A worker or worker performing comparable work in that same county. This will drive up agricultural costs at a time when the industry can least afford it.

Amended to Another Subject

• **SB 259 (Wahab; D-Hayward)**, a two-year bill introduced in 2025, originally prohibited businesses from using any input data to create prices or discounts; and forced companies to overhaul their pricing models and strategies at significant cost, to the detriment of both the businesses themselves and their consumers. This threatened not only the profitability of businesses, but also potentially reduced the availability of discounts and personalized deals for consumers. SB 259 was amended to remove its surveillance pricing provisions on Aug. 20, 2026, and now includes language related to vote by mail ballots. Based on these amendments, CalChamber moved to neutral.

Cost Drivers Amended

Amendments in the closing days of the legislative session led to the removal of the Cost Driver tag on the following bills, but CalChamber remained opposed and is asking the governor to veto the bills.

• **SB 947 (McNerney; D-Pleasanton)** Restricts Use of Automated Decision Systems in Employment. As a Cost Driver, the bill imposed impractical requirements on employers of every size related to automated decision systems, which would have discouraged the use of such tools and subjected employers to costly penalties and onerous new compliance procedures.

As sent to the governor, SB 947 still includes overly broad definitions or undefined standards that would create compliance problems for employers, especially small businesses.

• **SB 951 (Reyes; D-San Bernardino)** Discourages Innovation Through Broad AI Layoff Mandates. The Cost Driver form of the bill significantly expanded Cal/WARN type requirements to include impacts on hiring or staffing as a result of technology and included problematic enforcement provisions that allowed uninterested third parties to file claims.

As sent to the governor, SB 951 still adds new Cal/WARN notice and reporting mandates onto the existing function, and leaves a core trigger undefined, leaving employers to guess when routine tech-

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Ways to Help Make Voters Aware of How Prop 45 Can Cut Red Tape and Costs

The campaign for Prop 45 is in full swing, with CalChamber leading the charge to make California more affordable by streamlining essential projects. County election officials will begin mailing ballots on October 5, leaving us a rapidly shrinking window to make sure voters have the facts about this once-in-a-generation opportunity to cut red tape and lower costs.

We need your help. For decades, California's permitting and review challenges have been seen as too difficult to solve. Prop 45 puts a solution directly before voters—but success will require business leaders across California to make their voices heard. Here are four ways you can help:

1. **Join the YES on Prop 45 Coalition**. More than 160 organizations have endorsed Prop 45, including nearly 100 local chambers of commerce and business advocates. Join them if you haven't already at ***yesonprop45.com/#Join***.
2. **Share campaign materials on your website**. Post our fact sheets, press releases, and other campaign materials on your website. Making accurate information available online also helps ensure voters receive the facts about Prop 45 when they use AI search tools and chatbots. You can view fact sheets, memos, press releases, and more at our campaign action center.
3. **Send a letter to the editor**. Opponents have been flooding local newspapers with letters attacking Prop 45. We need our supporters making their voices heard too—and we've made it easy. The YES on Prop 45 campaign has built a new tool that helps you develop and approve a personalized Letter to the Editor (LTE) in less than 5 minutes. Simply choose the issues you care about, personalize your letter, and approve it. Our campaign team will take care of submitting your approved letter to your local newspaper. Click here to use the LTE tool.
4. **Share your support for Prop 45 with your followers**. Our campaign action center contains sample content for all social media platforms. You can use the templates or create your own content in support of Prop 45.

With ballots going out October 5, now is the time for supporters to make their voices heard.

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nology use crosses a threshold that carries civil penalty and enforcement exposure.

• In the hectic last week of this year's legislative session, supporters revived a Cost Driver proposal that had been languishing on the Senate Inactive File since last fall. CalChamber secured amendments to remove the most onerous provisions and the Cost Driver status but remained opposed. **AB 1331 (Elhawary; D-Los Angeles)** Restricts Workplace Safety and Security Tools. Originally undermined workplace safety in every California workplace by effectively prohibiting the use of surveillance technology in the workplace, including security cameras, cybersecurity systems, and anti-theft devices.

As sent to the governor, AB 1331 still is written so broadly that it sweeps in everyday workplace tools that have nothing to do with surveillance, duplicates existing privacy protections, and imposes compliance burdens that are difficult, and in some cases infeasible for employers to operationalize.

• Amendments led to the removal of the Cost Driver tag on **AB 1776 (Aguiar-Curry; D-Winters)**, which still drastically reshapes California antitrust law. CalChamber remains opposed to the bill. **See previous *CalChamber* story**.



CalChamber was pleased to participate in the **Livermore Valley Chamber of Commerce Business Expo** on September 9. **Sherri Souza**, President/CEO (left), and **Martha Espinoza**, Vice President (right), welcomed CalChamber representative **Jennifer Johnson** (center) to the event.

New Funding Available for California Paid Family Leave Grants

A new round of funding is now available through California's Paid Family Leave (PFL) Grant Program to help small businesses offset costs that can result from an employee taking paid family leave.

Eligible businesses may receive up to $2,000 per employee to help pay for things like cross-training current staff or bringing on new or temporary workers while an employee is out on paid family leave.

The California Paid Family Leave Program offers employees up to eight weeks of benefits that help replace part of their paycheck while they take time off for qualifying reasons, such as bonding with a new child or caring for a seriously ill family member.

California businesses with 1 to 100 employees are eligible to apply if at least one of their employees used paid family leave on or after June 30, 2026.

To qualify, businesses also must be registered to do business in the state, be in active status with the Secretary of State's office, and have an active California employer account number.

Grants are available now through May 31, 2028, or until funding runs out. Small businesses interested in applying can learn more by visiting *www.CaliforniaPFL.com*.



Mara Santos, President/CEO of the **Redondo Beach Chamber of Commerce** (left), with **Rana Ghadban** during the Chamber's Board Retreat, where Rana facilitated a strategic and engaging session with the Chamber's board leadership.

Rana Ghadban (left) with **Zeb Welborn**, President/CEO of the **Chino Valley Chamber of Commerce**, at the Chamber's 2026 Economic Outlook cohosted with other chambers in the region and featuring economist Dr. Chris Thornberg.





Rana Ghadban (center) with **Scott Ashton**, President/CEO of the **Oceanside Chamber of Commerce** (left), and **Scott Barnes** of the **San Marcos Chamber** at the Oceanside Chamber's Business Expo on September 16.