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California Department Of Insurance Names Yang Deputy Commissioner

California Insurance Commissioner Dave Jones has named Amorette Yang to Deputy Commissioner of the California Department of Insurance's (CDI) Community Programs and Policy Initiatives Branch. Yang was chief of the branch. She's replacing Chris Shultz, who has accepted an appointment as the Chief Deputy Director with the Department of Consumer Affairs. Yang joined CDI after serving as Capacity Building Manager for the New York City Department of Youth and Community Development. She has both public and private sector experience, including a background in public policy, nonprofit capacity building, community organizing, and strategy consulting.

In California's Capitol, Battles Are Often Between The Assembly And The Senate

As a Los Angeles Times reporter observed fairly recently, when it comes to politics, many think in terms of Democrat versus Republican. But in California's Legislature, the battle line often is between red and green, the colors of the carpets in the Senate and Assembly chambers. Over the years, the mood has ranged from friendly rivalry to open warfare between the two houses.

While the Legislature adjourned some time ago now, Capitol veterans observed in the final days of the legislative session that tension had worsened. The situation was exacerbated by multiple controversial and consequential proposals that originated in the more liberal Senate, an imbalance that left the more moderate Assembly feeling like an outlet for political controversial measures. Reminders of the tension surfaced. After lawmakers finished their work this year, on the Assembly Floor, Assembly Speaker Anthony Rendon (Dem, Paramount) began his closing speech with a dig at the occasionally loquacious Senate President pro Tempore Kevin De León (Dem, Los Angeles) by stating, "The pro Tem began his goodnight speech about an hour and a half ago," drawing laughter from the chamber. "I won't last that long," Rendon said. A spokesman for the Senate President, did not appreciate the jab,

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stating, “I don’t understand why he engenders this bitterness toward the pro Tem in his house.” The spokesperson posted on Twitter, “Results in serious petulance over there.”

During the last night of the legislative session, which included extensive debate on housing legislation, Assembly Member Adrin Nazarian (Dem, Sherman Oaks) initially refused to vote yes on a key measure that originated in the Senate. Nazarian told the Los Angeles Times, “I was frustrated with the way some things we being handled from the Senate leadership. I had decided that I would, from time to time, abstain on several bills at a time indiscriminately just so there would be a certain level of discomfort.” After holding out for an hour, Nazarian eventually voted yes.

Relationships between the chambers frayed earlier this year when senators approved legislation for a single-payer, government-run healthcare system in California. The idea has been a goal of progressive advocates for years, but the proposal did not include any details on how the state would pay for it. Assemblymembers felt the Senate was tossing a controversial issue in their laps. The Assembly Speaker halted the proposal and dismissed it as purely “symbolic” with “no substance.”

Former Assembly Member and Senator Sam Blakeslee (Rep, San Luis Obispo) said there has always been “a vast cultural divide” between the Assembly and Senate. “The latter, the so-called upper body, often holds the former in quiet contempt,” he said. “Assembly Members resent this elitism and often relish sabotaging Senate bills.” An adage that circulates around the Democrat-dominated Capitol is Republicans are the opposition, but the other house is the enemy.

PAGA California Supreme Court Ruling Presents Additional Burdens For Employers

While not news specific to this week, it may be worthwhile to remind of a relatively recent California Supreme Court ruling that presents another threat to employers. As if businesses were not troubled enough by substantial penalties tied to minor labor law infractions when private attorneys take on lawsuits under the Private Attorney General Act (PAGA), a relatively recent Supreme Court ruling has opened the door for more business burdens when confronting PAGA lawsuits.

In the unanimous decision in *Williams v. Marshalls* the Court ruled that plaintiffs attorneys have the right in discovery to examine all of a company’s employee records, whether employees worked at the site the alleged infraction took place or not. The plaintiff does not need to show good cause that the company had a statewide policy that violated labor laws before businesses are required to produce the information. The plaintiff in the case alleges that the Marshalls department store denied proper meal and rest period breaks. An attorney

for the plaintiff asked for employee records of all 16,500 company employees in the state. After a lower court denied this request focusing on the store in question, the Court reversed.

What this means for business is a greater cost in providing all the records and the potential of facing a much larger monetary penalty. Steep penalties required under a PAGA lawsuit forces many businesses to settle the cases. Many business community members argue settlement with a big payoff to attorneys is a goal of many lawyers who bring the lawsuits. Such a strategy only intensifies because of the court ruling. A 2014 case ruled that PAGA lawsuits could not be sent to private arbitration.

Many PAGA lawsuits are brought over minor infractions of labor laws, but the fines can be steep when assessed over a period of time when taking into account the number of employees involved. Businesses want a chance to correct any infraction before the costs and troubles of a lawsuit are presented, but current law does not permit that. As the burdens on businesses build under the PAGA law, and with no help expected from the California Legislature, the chance for an initiative to correct the lawsuit assault becomes more likely.

Leading Candidates for Governor Split on Health Care

At a health care themed forum held by the National Union of Healthcare Workers this week, Lieutenant Governor Gavin Newsom and former Mayor Antonio Villaraigosa voiced starkly different opinions on the future of universal healthcare in California. The two Democrats are currently considered the frontrunners in the 2018 race for governor, and while neither have clarified much in the way of policy yet this debate offers an early glimpse into how they differ on the hot button issue of single-payer coverage.

Villaraigosa dismissed the possibility of universal health care in California's immediate future, instead praising Assembly Speaker Anthony Rendon for pulling SB 562 from consideration. He said that while he supports the concept of single-payer coverage, he considers the plan that was put forward in SB 562 a "pie in the sky" measure that has no funding plan and therefore no possibility of success. Villaraigosa argued that instead the state should be focusing on securing healthcare for those who are at risk of losing it if the President is successful in repealing the Affordable Care Act. He also stated that he instead supports a public option that would allow people to opt-in to exiting Medi-Cal plans.

Newsom on the other hand stated that he fully supports SB 562 both in concept and in its execution, saying that moving the bill forward is only a matter of leadership and dedication. He also cast doubts on the widely-accepted price tag of \$400 billion that has been attached to the proposal, saying that "A single-payer system drives down the cost of health care; drives down the cost of prescription drugs through economies of scale; and provides more effective, efficient, and universal access for those that are uninsured." However in his remarks he also did not provide any answers for how the proposed system would be funded, the question that ultimately led to SB 562 being shelved.



The other two Democratic candidates present at the forum also spoke about their views on universal health care, but in less emphatic terms. Treasurer John Chiang appeared to hedge on the issue, saying that he wants to see more “effectiveness and efficiency” in the current model and that the state should approach any large changes to the system in an incremental fashion. Delaine Easton joined Newsom in supporting universal coverage, saying that the proposal was a “realistic” way to provide coverage and that it could be paid for with a gross receipts tax and a partial increase to income taxes. Following the forum, the National Union of Healthcare Workers voted to endorse Gavin Newsom, with Delaine Easton as a runner-up.