



September 20, 2007

The Honorable Arnold Schwarzenegger
Governor, State of California
State Capitol, First Floor
Sacramento, CA 95814

Re: Request for Veto of AB 537 (Swanson) California Family Rights Expansion

Dear Governor Schwarzenegger:

The California Manufacturers & Technology Association (CMTA) respectfully requests your veto of AB 537 (Swanson) which would increase the circumstances under which an employer is responsible for providing protected leave pursuant to the California Family Rights Act (CFRA). If signed AB 537 would additionally allow employees to take leave under CFRA to care for an adult child, sibling, grandparent, grandchild, parent-in-law, or domestic partner. Hence, this bill would increase dramatically the number of eligible employees under this statute.

The adoption of the CFRA came shortly after the passage of the federal Family Medical Leave Act (FMLA), which currently is being evaluated on a national level. CMTA believes it is premature to begin the expansion of CFRA without evaluating as a whole the impact this program has had on this State's economy; the impact on production and efficiency at the workplace; and the impact on employer-employee relations. We understand the proponents desire to expand CFRA to address the diversity of family units that might exist; however, an overall assessment of the needs of families must first be conducted to create a sensible balance between work and family responsibilities.

If AB 537 is signed, businesses are likely to see a dramatic increase in the use of CFRA, therefore contributing to an increase in employer's liability and loss of production. AB 537 creates these additional burdens because the employer must comply regardless of their need for the employee at work. Currently, absences at the workplace have resulted in a loss of production because it has been difficult to replace the absent worker or meet deadlines. It has also contributed to low moral amongst co-workers that have had to pick up the remainder of the work when no immediate replacement is possible. This is also playing a part in the larger national workforce shortage many industries are facing.

For instance, the manufacturing industry has specifically been affected by the use of intermittent absences, allowed within FMLA and CFRA. When a worker does not come to work and later claims his/her absence as CFRA leave, the employer with little notice must reassign the work or find a replacement. However, it has become increasingly harder to find workers that have the skills necessary to replace the absent workers. Therefore, in times of need the employer must invest time and money to train temporary workers to do high-skilled labor.

These indirect costs may vary by employer but for the larger companies it has also become necessary to enlarge their human resource departments to handle FMLA and CFRA claims and help manage the replacement of workers. In addition, the current statute provides for numerous rights to take time off work without discharge or discrimination. Therefore, changes to CFRA will ultimately result in a rise of legal disputes with regards to eligibility. AB 537 potentially exposes business to additional lawsuits that can become very costly to defend.

These additional mandates have put a strain on the employer-employee relationship and employers are doing their best to help their workers meet their family responsibilities. Yet, FMLA and CFRA have limited an employer's flexibility to address their worker's needs and their ability to cooperate with them in times of crisis when an employee needs time off. Every circumstance is different and the ability to fill a person's job may vary, requiring cooperation between the employer and the employee.

California already has one of the most advanced employee leave statutes in the nation. We recognize that there is a diverse family structure and family responsibilities; which is why CMTA has also been supportive of alternative workweeks which give workers the ability to work more hours in a day in exchange for more time off to spend as they need. CMTA believes that an overall evaluation of this and other statutes related to work and family must be evaluated to make an accurate assessment as to which direction this State should take in order to find an appropriate balance between family and work, which does not impact adversely the companies that wish to do business in California.

For all these reasons, CMTA requests your veto of AB 537.

Sincerely,

A handwritten signature in black ink that reads "Cynthia Leon". The signature is written in a cursive, flowing style.

Cynthia Leon
Director, Human Resources