# **Sick Leave Ordinance**

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# **Prior Board Direction**

- Directed to research whether a general law county can enact a paid sick leave ordinance applicable to private employers
- If so, provide policy options



## **FFRCA Background**

- Enacted March 18, 2020 in response to coronavirus pandemic
- Employers with up to 500 employees must provide 80 hours paid sick leave for COVID-19 related purposes. Also applies to public entity employers.
- Potential hardship exemption for employers with less than 50 employees to not provide paid leave benefits for the purpose of caring for a child whose school or child care is unavailable due to COVID-19 related reasons. (But no exemption from requirement to provide 80 hours paid sick leave for all other COVID-19 related purposes.)

#### **FFRCA Background Cont.**

- Health care workers and first responders
  potentially exempt based on operational needs
- Dollar-for-dollar Federal tax credit for the cost of providing the leave benefits
- Pay is capped at \$200 per day when use is for the care of a child or family member, and at \$511 per day for all other uses.

#### **Legal Authority**

 While the vast majority of cities and counties in California that have enacted paid sick leave ordinances have been charter cities and counties, the broad police powers in Article XI section 7 of the California Constitution appear to provide general law counties the ability to legislate in this area, within the county jurisdiction.

#### **Impact on Local Businesses**

- EDB estimates there are:
  - Two private businesses in the unincorporated area of Sonoma County that have more than 500 employees locally
  - Approximately 275 employers in the unincorporated area that have more than 500 employees nationally
  - Just under 12,000 businesses with less than 50 employees in the unincorporated area
  - At least one private employer who employs health care workers and first responders.

Private employers subject to the FFCRA have the benefit of dollar for dollar tax credits, whereas employers subject to local ordinances must entirely bear the cost of furnishing such leave benefits

See EDB chart of employers in unincorporated county with more than 500 employees nationally

# **What Other Jurisdictions Have Done**

- Most ordinances apply only to businesses with more than 500 employees nationally
- Most exempt health care workers and first responders based on operational needs
- Most maintain the FFCRA small employer hardship exemption (for child care reasons)
- Most cap pay at \$511/day, regardless of the underlying basis
- Most allow for an offset of 2 weeks leave already provided
- See Ordinance Comparison Chart

# See Paid Sick Leave Comparison Chart

INDUSTRY RECREATION



## **Policy Considerations**

- Extend coverage to employers with more than 500 employees nationally?
- Exemption based on operational needs for health care workers and first responders of private employers?
- Maintain the hardship exemption for small businesses for paid leave benefits for the purpose of caring for a child whose school or child care is unavailable due to COVID-19 related reasons?
- Policy Considerations continued on next slide...

## **Policy Considerations Cont.**

- Cap pay regardless of the reason at \$511 per day and remove the 2/3rds of pay, \$200 per day salary pay cap when leave is taken for the care of a child or family member?
- Carve out certain occupations?
- Allow employers who already provide employees with sick leave and paid time off benefits be able to use such benefits as an offset against the requirements of the ordinance? If so, what range, between 80 to 160 hours?
- See Ordinance Matrix