



February 4, 2022

To: All Members of the Senate and Assembly

Fr: Steve McCarthy
Vice President, California Retailers Association

Re: **AB 84/SB 114 (Budget) – Supplemental Paid Sick Leave – OPPOSE**

Dear Honorable Senators and Assemblymembers:

On behalf of the above coalition of industry associations, we regrettably must oppose to **AB 84/SB 114 (Budget)** on paid sick leave. Under this proposal our member businesses will experience substantial, supplemental pandemic-related costs to finance another benefit on top of others currently or previously required.

AB 84 requires employers of more than 25 employees to provide up to 80 hours of supplemental paid sick leave to employees who contract COVID-19, are caring for someone who does, to receive a vaccine or booster, and to manage side effects of the vaccine/booster. Our coalition opposes these provisions for the following reasons:

- Duplicative leave requirement.** Contrary to its portrayal, statutory COVID paid sick leave is not the only supplemental paid leave available to employees who contract COVID-19. Employees who are exposed to COVID-19 at work, or where the employer cannot disprove such occurrence, are already eligible for “exclusion pay” under CalOSHA’s COVID-19 Emergency Temporary Standard. Many employers also provide generous supplemental leave benefits of their own,

which this bill acknowledges. This measure acts as an additional layer of leave on top of what employers are already required to provide, and it applies whether the employee contracted the virus at work or not.

- **No federal tax credits to help small and medium-sized employers.** For employers of 500 or fewer employees, there are no federal tax credits available to help cover the costs of this round of employee sick leave as there were in previous iterations.
- **Repeated COVID leave, other mandates creating burdensome costs.** This will be the state's third supplemental paid sick leave mandate, meaning that employees will now have been eligible for up to five to six weeks (200-240 hours) of COVID-19 paid leave since the start of the pandemic. This is in addition to substantial employer costs for COVID compliance including workplace safety compliance, personal protective equipment, and liability for \$20+ billion currently owed to the Unemployment Insurance (UI) Fund.
- **Additional 40 hours of leave not supported by CDC recommendation.** This measure again requires ten (10) days of supplemental paid leave as in prior measures, which disregards the updated Centers for Disease Control's recommendation of five (5) days of isolation or quarantine for most categories. Throughout this pandemic, California businesses have had to navigate a panoply of conflicting rules and mixed signals from all levels of government. This measure is just the latest source of additional cost and confusion. If the state wants to mandate sick pay beyond CDC's recommended leave, the state should at least pay for it.
- **Insufficient guardrails on vaccine leave.** This measure allows up to three (3) days of paid sick leave each time an employee receives a vaccine or booster and to recover from any side effects of a vaccine or booster. While we appreciate the new internal limitation which was not present in prior sick leave laws, there is still no requirement that the leave taken for side effects bear any relationship to the date which the vaccine or booster was received. There is also no protection against the abuse of this leave by a symptom-free employee.

We appreciate your consideration of our concerns. If you have any questions, please feel free to contact Steve McCarthy at steve@calretailers.com or (916) 443-1975.

Sincerely,



Steve McCarthy
Vice President, Public Policy

On behalf of:

California Retailers Association
California Attractions and Parks Association
California Business Properties Association
California Restaurant Association
California Manufactures & Technology Association
California Hotel and Lodging Association
California Business Roundtable
Los Angeles County Business Federation
Central Valley Business Federation

California Farm Bureau
National Federation of Independent Business
Associated General Contractors – California
Associated General Contractors – San Diego Chapter
American Fire Sprinkler Association – Greater Bay Area Chapter
Plumbing-Heating-Cooling Contractors Association
Western Electrical Contractors Association

Cc: Angie Wei, Legislative Affairs Secretary, Office of the Governor
Dee Dee Myers, Director, Governor's Office of Business and Economic Development
Kirk Feely, Director, Senate Republican Fiscal Office
Lauren Prichard, Consultant, Assembly Republican Office of Policy and Budget