



March 25, 2022

Assemblymember Steven Choi
California State Assembly
1021 O Street, Suite 4510
Sacramento, CA 95814

Re: AB 1890 (Choi) Tax Credits: COVID-19 Supplemental Paid Sick Leave: SUPPORT

Dear Assemblymember Choi,

We are pleased to support your bill AB 1890 which would provide tax credits to businesses to offset the costs of providing COVID-19 supplemental paid sick leave.

Our members are in labor intensive industries such as restaurants, retail, and hospitality and other services and sales based enterprises. The requirement to provide COVID-19 supplemental paid sick leave in addition to paid leave under Cal OSHA's COVID-19 Emergency Temporary Standard disproportionately affects certain businesses. For instance- in the restaurant employment setting- if one of our team members is out on paid sick leave, the restaurant has to bring in an additional team member to cover those duties to provide a consistent level of service to our customers. This results in a doubling of labor costs for certain business types.

These are the same business that have faced extraordinary costs over the past two years as a result of government ordered business closures or limitations of their operations- drastically reducing the ability to absorb new costs. In fact, many can't keep up with the laundry list of new costs increases facing employers such as skyrocketing labor, food, and fuel costs.

All of this- - on top of the debt so many incurred in an attempt to return economic viability to their businesses after the pandemic shutdowns. Employers of all sizes went to incredible lengths to try to save their businesses in order to save jobs. We are at a tipping point where these very jobs are at risk if new employer mandates are continuously layered on, without any broad-based cost offset.

When SB 114 was signed into law requiring employer with more than 25 employees to provide up to 80 hours of COVID-19 supplemental paid sick leave, it did not include any funding to help offset the costs to help businesses who are still struggling to stay afloat. Given the state's enormous budget surplus and interest in protecting public health, it is appropriate that the state dedicate funding to offset this massive new expense on some of California's most fragile job providers.

For these reasons, we are pleased to support your AB 1890 which will provide much needed relief to businesses struggling with the enormous costs pressures of providing COVID-19 supplemental paid sick leave.

Sincerely,

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

Katie Hansen
Senior Legislative Director
California Restaurant Association

On behalf of:

California Retail Association
California Attractions and Parks Association
California Farm Bureau
National Federation of Independent Business