

February 25, 2021

The Honorable Senator Melissa Melendez
State Capitol
Sacramento, CA 95814

Re: AB 84/SB 95 COVID-19 Paid Sick Leave Mandate
OPPOSE

Dear Senator,

The Greater Coachella Valley Chamber of Commerce respectfully opposes AB 84/SB 95, which would impose a costly new COVID-19 paid sick leave mandate on all businesses. This will devastate small employers, who are already suffering as a result of the COVID-19 pandemic. Recent data shows that about 44% of all small businesses are at risk of closing permanently due to COVID-19. Employers cannot continue to be the safety net of the state.

Specifically, AB 84/SB 95 requires employers of all sizes to provide up to 80 hours of paid sick leave per calendar year to all employees for COVID-19 related reasons. This new requirement would apply retroactively to January 1, 2021. The reasons for taking leave are very broad. For example, an employee can take up to 80 hours of leave to get a vaccine or to care for someone who is not even in their family. The requirement would be in addition to the many leave requirements businesses are already expected to provide, including the CalOSHA Emergency Temporary Standard paid leave, paid sick leave, workers' compensation, and family leave.

Unlike the federal COVID-19 sick leave mandate, there are no tax credits or other financial relief to help offset the immediate payroll costs that small businesses will have to pay to cover this new leave. Even the federal FFCRA offered a one-to-one tax credit to offset the costs of that leave for businesses with 500 or fewer employees. Small businesses cannot take this extra cost and it will essentially negate the grant programs for small businesses that were recently passed as part of the Budget. Further, the federal tax credits will not apply to this new leave because AB 84/SB 95 requires employers to pay 80 hours of leave for employees in 2021. The FFCRA does not. Small businesses therefore would be required to provide a new round of leave and will not receive federal tax credits for that leave.

For these reasons, we respectfully OPPOSE AB 84/SB 95.

Sincerely,



Joshua R. Bonner, IOM
President and CEO
Greater Coachella Valley Chamber of Commerce