

DATE: March 17, 2011

TO: The Honorable Sandre Swanson
Chair, Assembly Labor and Employment Committee
Legislative Office Building, 1020 N Street, Room 157
Sacramento, CA 95814

FROM: Faith Conley, California State Association of Counties
Natasha Karl, League of California Cities
Paul Smith, Regional Council of Rural Counties
Julianne Broyles, California Association of Joint Powers Authorities
Iris Herrera, California Special Districts Association
Amber Wiley, Association of California Healthcare Districts

Re: AB 400 (Ma) – Employment: paid sick days – **OPPOSE**

The California State Association of Counties (CSAC), the League of California Cities (LCC), the Regional Council of Rural Counties (RCRC), the California Association of Joint Powers Authorities (CAJPA), the California Special Districts Association (CSDA) and the Association of California Healthcare Districts (ACHD) regret that we must oppose AB 400, which requires employers, including cities, counties and special districts to provide one hour of paid sick leave for ever 30 hours worked.

As public sector employers, we believe that leave policies are part of total compensation and benefits packages that should be determined locally. This is especially true for employees covered by collective bargaining agreements, as many in the public sector are. By mandating new levels of sick leave, AB 400 undermines local control and the integrity of the collective bargaining process. While AB 400 excludes some employees covered by the collective bargaining agreements, we believe proposed section 245.5 of the Labor Code is written so narrowly as to what the collective bargaining agreement must include, that most employees covered by collective bargaining agreements would still be affected by AB 400.

AB 400 also requires employers to track employees' accrual of sick leave even after they have separated from service; this is an unprecedented administrative burden, requiring every employer to program their human resources systems to track employees they no longer employ.

Both because of the administrative burdens and the additional cost to provide sick leave, we believe that AB 400 will severely restrict the use of extra help and seasonal employees. This loss of flexibility will increase costs and reduce efficiencies in the delivery of services to the public.

California's current unemployment rate stands at 12.7 percent, higher than in the most recent economic recessions of 1973, 1990 and 2001. California has experienced a higher amount of employee cutbacks than any other state in the

country, local government budget deficits have led to layoffs, while public demand for state-mandated services has risen.

For counties, AB 400 poses a particular problem for In-Home Supportive Services (IHSS) employees who do not work a traditional scheduled work week. IHSS providers are paid for services provided and calculated by the hours they work. This program is funded by a mix of federal, state and local funds. Federal reimbursement would not be available for sick leave hours used and it is not clear to us what portion of the cost burden the state would share. We estimate the annual statewide liability for providing paid sick days to IHSS providers to be \$13 million. This is based on about 39 million hours worked in 2008, and using a statewide average salary of \$9.98 per hour.

For the reasons above, we respectfully request your “no” vote on AB 400. We are available to discuss these issues with you or your staff at your convenience. Faith Conley (CSAC) may be reached at 650-8117, Natasha Karl (LCC) at 658-8279, Paul Smith (RCRC) at 447-4806, Julianne Broyles (CAJPA) at 441-5050, Iris Herrera (CSDA) at 442-7887, and Amber Wiley (ACHD) at 498-6233.

Cc: Members/Consultant, Assembly Labor and Employment Committee
The Honorable Fiona Ma