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Board Agenda Item

TO: Air Pollution Control District Board

FROM: Dave Van Mullem, Air Pollution Control Officer

CONTACT: Kristina Aguilar, Administrative Manager 961-8813

SUBJECT: Implementation of Healthy Workplaces, Healthy Families Act of 2014

RECOMMENDATION:

That the Board of Directors:

1. Authorize the Santa Barbara County Air Pollution Control District and Human Resources to implement the California Healthy Workplaces, Healthy Families Act of 2014 as recommended in this correspondence;
2. Adopt a resolution (Attachment 1) to provide benefits under the Paid Sick Leave Law to Extra Help employees and Contractors on Payroll;
3. Adopt a resolution (Attachment 3) amending the Management and Confidential-Unrepresented Benefits Resolution to implement provisions of the Paid Sick Leave Law for Management and Confidential-Unrepresented employees; and
4. Direct staff to notify all labor organizations of the intent to implement this law for represented and unrepresented Regular employees to expand sick leave usage criteria and reinstate unused balances when employees separate from and are rehired into District employment within one year.

BACKGROUND:

The California Healthy Workplaces, Healthy Families Act of 2014 requires the District to provide all covered employees with paid sick leave each year, beginning July 1, 2015. In addition, the Act expands the allowed use of sick leave to include absences related to domestic violence, sexual assault, and stalking, and the reinstatement of unused balances when an employee returns to District employment within one year of separation. The recommended actions implement terms and conditions of accrual and usage of sick leave as required by this California state law.

DISCUSSION:

In 2014, the California legislature enacted the Healthy Workplaces, Healthy Families Act of 2014 (AB 1522), also known as the "Paid Sick Leave Law." (California Labor Code Sections 245 through 249) Effective July 1, 2015, the law entitles eligible employees to receive paid sick leave and expands sick leave usage criteria. Under the Paid Sick Leave Law, an employee in California who is working on or after July 1, 2015 for a single employer for 30 or more calendar days within a year is entitled to paid sick leave, which may be used for:

1. The employee or a specified family member for the diagnosis, care, or treatment of an existing health condition or preventive care; and
2. Specified purposes for an employee who is a victim of domestic violence, sexual assault, or stalking.

Currently, represented and unrepresented Regular employees accrue sick leave in excess of the amount required by the Paid Sick Leave Law. As these provisions are more generous than the law, no changes to accrual rates will be necessary for these groups of employees. However, Extra Help employees and Contractors on Payroll (COP's) do not currently receive sick leave benefits and will be eligible to earn sick leave under the provisions of the law.

In addition, Regular District employees are not currently permitted to use accrued sick leave for absences related to domestic violence, sexual assault, or stalking. Effective July 1, 2015 Regular District employees will be allowed to use accrued sick leave for specified purposes provided by this expanded sick leave usage criteria.

Under the law, employers must allow employees to accrue or receive paid sick leave using the employee's current rate of pay and provides three (3) implementation options:

1. Lump Sum Method – Providing 24 hours (or three days) of sick leave at inception of employment and annually thereafter. Employees are entitled to use accrued sick leave once 90 days of employment have elapsed. There is no carryover of unused balances required under this method.
2. Accrual Method – Providing sick leave accruals for every hour worked at a rate of 1 hour for every 30 hours worked. Employees are entitled to use accrued sick leave once 90

days of employment have elapsed. There are no caps on accrual, usage, or carryover of unused balances.

3. Accrual Method – Providing sick leave accruals for every hour worked at a rate of 1 hour for every 30 hours worked. Employees are entitled to use accrued sick leave once 90 days of employment have elapsed. There is a 24-hour cap on usage in a year, and carryover of unused balances is allowed. The employer may cap accrued sick leave at 48 hours.

Staff recommends implementing Option 1 for all Extra Help employees and COPs.

The law also requires that previously-accrued and unused sick days be reinstated if an employee is rehired within one year of separation from District service. Staff is recommending that this provision be extended to Regular employees' sick leave balances when they return to the organization as a Regular employee within one year of separation. Staff recommends providing 24 hours of sick leave when a separated Regular employee is rehired within one year as an Extra Help or COP employee. Additionally, staff recommends that when an Extra Help employee or COP is hired as a Regular employee that they maintain any sick leave balances already accrued.

Additional aspects of implementing the Paid Sick Leave Law include:

- An employer is not required to pay out accrued sick leave at the time of termination from employment;
- An employer is prohibited from denying an employee the right to use sick leave for purposes permitted by the law; and
- Employees may file a complaint with the Labor Commissioner's Office if they feel their rights have been violated.

FISCAL IMPACT:

It is estimated that the recommended method of implementing the Paid Sick Leave Law will require the District to credit Extra Help employees and Contractors on Payroll who do not currently accrue sick leave with approximately 120 hours of sick leave in the first year of implementation. It is impossible to predict how many of these hours will be used, but if affected employees were paid for all 120 hours in the first year, the estimated total maximum expenditure would be approximately \$8,875.

ATTACHMENTS:

1. Resolution to Implement CA Healthy Workplace, Healthy Families Act of 2014
2. Resolution to Amend Management Personnel Benefits Policy (Changes Tracked)
3. Resolution to Amend Management Personnel Benefits Policy (Changes Not Tracked)