

# BOARD OF COUNTY COMMISSIONERS OFFICE OF THE COMMISSION AUDITOR

#### MEMORANDUM

TO:

The Honorable Chairwoman Audrey M. Edmonson,

and the Board of County Commissioners

FROM:

Adeyinka Majekodunmi, CPA

**Commission Auditor** 

DATE:

May 5, 2020

**SUBJECT:** 

Paid Sick, Family and Parental Leave for County Contractors: Fiscal and

**Social Impacts** 

The attached Office of the Commission Auditor's report requested by Commissioner Daniella Levine Cava, District 8 is being shared with the members of the Board of County Commissioners.

An electronic copy is available on the Commission Auditors website. If you have any questions, please feel free to contact our office 305-375-4354.

cc:

Honorable Carlos A. Gimenez, Mayor

Abigail Price-Williams, County Attorney

Geri Bonzon-Keenan, First Assistant County Attorney

Melissa Adames, Director, Clerk of the Board

Mary Cagle, Inspector General



Paid Sick, Family and Parental Leave for County Contractors:

Fiscal and Social Impacts

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#### Research project produced by the Office of the Commission Auditor.

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Date of Submission: May 4, 2020

#### The Office of the Commission Auditor, Miami-Dade Board of County Commissioners

The Office of the Commission Auditor (OCA) was established in September 2002 by Ordinance 03-2 to provide support and professional analysis of the policy, service, budgetary and operational issues before the Miami-Dade Board of County Commissioners (BCC). The Commission Auditor's duties include reporting to the BCC on the fiscal operations of County departments, as well as whether the fiscal and legislative policy directions of the Commission are being efficiently and effectively implemented.

This report, prepared in collaboration with the Miami-Dade County departments as subject matter experts, is substantially less detailed in scope than an audit in accordance with the Generally Accepted Auditing Standards (GAAS). OCA plans and performs the review to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on the objectives; accordingly, OCA does not express an opinion on the data gathered by the subject matter experts.

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#### I. Introduction

#### a. Purpose

The Office of the Commission Auditor (OCA) produced this analysis of paid leave policies in response to a request from Commissioner Daniella Levine Cava, who represents Commission District 8. Specifically, the report examines the potential fiscal and social impacts of the proposed County ordinance regarding paid sick, family and parental leave for employees of County contractors (Legistar File No. 200299).

#### b. Scope

The scope of the report encompasses a review of select existing paid sick, family and parental leave policies on the federal, state and local government levels, including mandated paid sick leave for employees of federal contractors. OCA also examined the social impacts of such paid leave policies from both the employer and employee perspectives, as well as the fiscal effects on employers implementing these policies.

#### c. Methodology

OCA researched and performed analysis of paid leave legislation at the federal, state, and local levels to establish a basis of comparison to the proposed County legislation. In order to provide insight into potential fiscal and social impacts of the proposed County paid leave legislation, OCA performed qualitative academic research, reviewing scholarly information from research institutes and reports from think tank organizations studying existing paid leave policies, as well as analyzed key quantifiable metrics of data collected from Miami-Dade County systems and other third-party sources. The focus of OCA's research for its qualitative analysis was on studies conducted on the effects of established paid leave policies in other jurisdictions, wherein impacted employers were surveyed years after policy implementation. Moreover, OCA performed quantitative research by issuing a survey to current County contractors who would be affected by the proposed ordinance, thereby obtaining County-specific data for its fiscal analysis.

#### II. Background

While research suggests that having an employee come to work sick produces negative effects on the workplace, such as risks of contagion and reduced productivity, governments at all levels in the United States by and large have not reflected this in their policies. The United States is one of just 14 countries that do not guarantee employees paid time off for illness, and the only high income country without this nationwide policy. The benefits of paid parental leave are also widely acknowledged, yet the U.S. is the only advanced-economy country in the world without a federal paid parental leave policy.





<sup>&</sup>lt;sup>1</sup> GENDER, EQUALITY AND DIVERSITY BRANCH, CONDITIONS OF WORK AND EQUALITY DEPARTMENT, INT'L LAB. ORG., MATERNITY AND PATERNITY AT WORK: LAW AND PRACTICE ACROSS THE WORLD 4 (2014), <a href="http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms">http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms</a> 242617.pdf.

According to the U.S. Department of Labor, Bureau of Labor Statistics, 24 percent of the 139.8 million U.S. civilian workers represented in its survey did not have access to paid sick leave in 2019.<sup>2</sup> The lack of a national paid sick leave policy disproportionately affects those in the service industry, with 39 percent of the survey's 31.8 million civilian employees working in service occupations not having paid sick leave benefits.<sup>3</sup> The differences by wage category are staggering: 94 percent of civilian workers in the highest 10 percent income category have paid sick leave benefits, while only 31 percent in the lowest 10 percent income category have access to paid sick leave.<sup>4</sup>

Provision of paid family and parental leave in the United States is even less common. In 2019, just 19 percent of civilian employees had access to employer-provided paid family leave.<sup>5</sup> In the service industry, that number drops to 14 percent.<sup>6</sup> Additionally, only six percent of civilian workers in the lowest 10 percent income category have access to paid family leave.<sup>7</sup>

Eleven (11) states and Washington, D.C. have passed paid sick leave laws, while eight states and Washington, D.C. have passed paid parental leave laws. Maine and Nevada have enacted paid leave for any reason, including sickness. There is no state law requiring Florida employers to provide paid sick, family or parental leave, and Florida also preempts local government authority from enacting such requirements on employers at the county or municipal level. However, an exception exists in the statute that would not restrict Miami-Dade County's authority to establish leave requirements for an employer contracting to provide goods or services for the County.

<sup>&</sup>lt;sup>2</sup> The term *civilian workers* includes workers in the private industry and state and local government. U.S. DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS, NEWS RELEASE: EMPLOYEE BENEFITS IN THE UNITED STATES – MARCH 2019 (2019), <a href="https://www.bls.gov/news.release/pdf/ebs2.pdf">https://www.bls.gov/news.release/pdf/ebs2.pdf</a>.

<sup>&</sup>lt;sup>3</sup> U.S. DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS, NEWS RELEASE: EMPLOYEE BENEFITS IN THE UNITED STATES – MARCH 2019 (2019), <a href="https://www.bls.gov/news.release/pdf/ebs2.pdf">https://www.bls.gov/news.release/pdf/ebs2.pdf</a>.

<sup>4</sup> Id.

<sup>&</sup>lt;sup>5</sup> The Bureau of Labor Statistics' survey defines paid family leave as leave granted to an employee to care for a family member and includes paid maternity and paternity leave. The leave may be available to care for a newborn child, an adopted child, a sick child, or a sick adult relative. Paid family leave is given in addition to any sick leave, vacation, personal leave, or short-term disability leave that is available to the employee. BUREAU OF LABOR STATISTICS, NATIONAL COMPENSATION SURVEY: EMPLOYEE BENEFITS IN THE UNITED STATES, MARCH 2019 (2019), https://www.bls.gov/ncs/ebs/benefits/2019/employee-benefits-in-the-united-states-march-2019.pdf.

<sup>&</sup>lt;sup>6</sup> U.S. DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS, NATIONAL COMPENSATION SURVEY: EMPLOYEE BENEFITS IN THE UNITED STATES, MARCH 2019 (2019), <a href="https://www.bls.gov/ncs/ebs/benefits/2019/employee-benefits-in-the-united-states-march-2019.pdf">https://www.bls.gov/ncs/ebs/benefits/2019/employee-benefits-in-the-united-states-march-2019.pdf</a>.

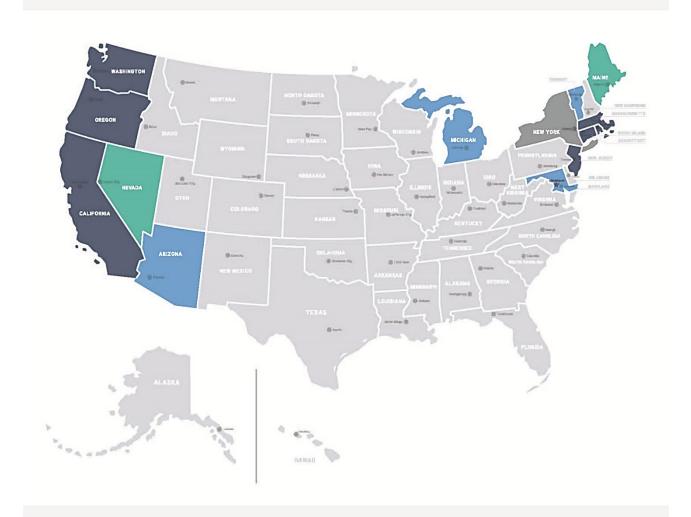
<sup>&</sup>lt;sup>7</sup> *Id*.

 $<sup>^8</sup>$  Fla. Stat. § 218.077

<sup>&</sup>lt;sup>9</sup> Fla. Stat. § 218.077; E-mail correspondence with Miami-Dade County Attorney's Office (March 4, 2020).

Figure 2

### PAID SICK AND FAMILY/PARENTAL LEAVE LAWS BY STATE



#### States with paid sick leave law:

Arizona, Maryland, Michigan, and Vermont

#### States with both paid sick leave and paid parental leave laws:

California, Connecticut, Massachusetts, New Jersey, Oregon, Rhode Island, and Washington

#### State with paid parental leave law:

New York

#### States with paid leave for any reason:

Maine and Nevada

State preemption of local authority to enact certain labor laws is common policy practice nationwide. The concern with allowing local governments to legislate on paid leave is in the creation of varying employee benefit requirements across the state and the resulting administrative burden this could place on employers whose business activity extends beyond one locality. Complying with local paid leave laws, especially when they differ from state laws or laws in neighboring jurisdictions, can present administrative challenges given that an employer may be required to afford paid leave at varying levels, or to some employees and not others depending on where the work is being performed. Proponents of preemption argue that such a framework would place businesses in the regulating jurisdictions at a competitive disadvantage and prevent the state from having a stable business environment.

Twenty-three (23) states have enacted paid leave preemption laws. While preemption in some states, where paid sick leave has been mandated at the state level, only prohibits cities and counties from establishing paid leave requirements that differ from state-established standards, preemption in 18 states, where paid leave does not currently exist at the state level, explicitly prohibits cities and counties from requiring local employers to provide paid leave to their employees, such as in the state of Florida.<sup>12</sup>

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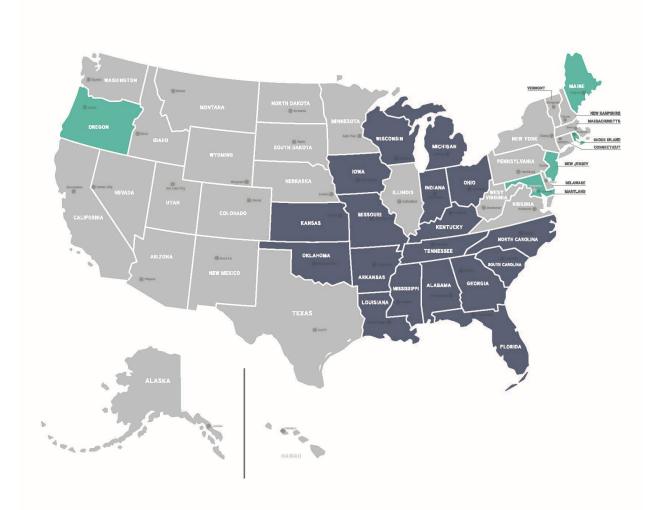
<sup>&</sup>lt;sup>10</sup> Lisa Nagele-Piazza, *Paid Sick Leave Laws Continue to Give Employers Headaches*, SOCIETY FOR HUMAN RESOURCE MANAGEMENT, April 15, 2019, <a href="https://www.shrm.org/ResourcesAndTools/legal-and-compliance/state-and-local-updates/Pages/Paid-Sick-Leave-Laws-Continue-to-Give-Employers-Headaches.aspx">https://www.shrm.org/ResourcesAndTools/legal-and-compliance/state-and-local-updates/Pages/Paid-Sick-Leave-Laws-Continue-to-Give-Employers-Headaches.aspx</a>.

<sup>&</sup>lt;sup>11</sup> WORKFORCE FLORIDA, INC., EMPLOYER-SPONSORED BENEFITS STUDY TASK FORCE FINAL REPORT (2014), https://careersourceflorida.com/wp-content/uploads/2014/01/TaskForceBenefitsStudyFinalReport.pdf.

<sup>&</sup>lt;sup>12</sup> ECONOMIC POLICY INSTITUTE, Worker Rights Preemption in the U.S.: A Map of the Campaign to Suppress Worker Rights in the States, November 2018, <a href="https://www.epi.org/preemption-map/">https://www.epi.org/preemption-map/</a>.

Figure 3

# U.S. STATES WITH PAID LEAVE PREEMPTION LAWS (AND PREEMPTION LAW PASSAGE DATES)



- States with preemption prohibiting paid leave mandates by local governments

  Alabama (2014), Arkansas (2017), Florida (2013), Georgia (2004), Indiana (2013), Iowa (2017), Kansas (2013), Kentucky (2017), Louisiana (2012), Michigan (2015), Mississippi (2013), Missouri (2015), North Carolina (2016), Ohio (2016), Oklahoma (2014), South Carolina (2017), Tennessee (2013) and Wisconsin (2011).
- States with preemption seeking statewide uniformity with the state's sick leave law
  Maine (2019), Maryland (2018), New Jersey (2018), Oregon (2015) and Rhode Island (2017)

#### **III. Comparative Analysis**

#### a. Proposed Miami-Dade County Paid Leave Ordinance

The County's proposed ordinance (Legistar File No. 200299) seeks to establish paid sick, family and parental leave requirements for County service contractors (and their subcontractors) employing 15 or more employees through County contracts valued at over \$100,000 per year for provision of the following covered services: 1) Food preparation, distribution or both; 2) Security services; 3) Routine or recurring maintenance services, such as custodial, cleaning, refuse removal, repair, refinishing, and recycling; 4) Clerical or other non-supervisory office work, whether temporary or permanent; 5) Transportation and parking services including, but not limited to, airport and seaport services; 6) Printing and reproduction services; or 7) Landscaping, lawn, or agricultural services.

Paid leave applies to a covered employer's full-time and part-time employees that are involved in providing service pursuant to the service contractor's contract with the County. The terms of the paid leave requirements are one hour of paid sick and family leave for every 30 hours worked, and up to six weeks of paid parental leave. Covered employers have the option of either awarding at least 56 hours of paid sick and family leave at the beginning of each 12-month period of employment or allowing the employee to accrue leave during the year, which is then carried over from year to year with the caveat that a covered employer must not set a limit on the total accrual of paid sick and family leave at less than 56 hours per fiscal year.

The employee's earned sick and family leave may be used for an absence resulting from: physical or mental illness, injury, or medical condition; obtaining diagnosis, care, or preventive care from a health care provider; caring for a child, parent, spouse, domestic partner or any other individual related by blood or affinity whose close association with the employee is the equivalent of a family relationship; pregnancy or care for the employee's own newborn, newly-adopted child or newly placed foster child or children; domestic violence, sexual assault, or stalking.

Paid parental leave may be used for the purpose of caring for an employee's own newborn, newly-adopted, or newly-placed pre-adoptive foster child or children and applies equally to parents regardless of gender, as well as to same-sex couples. Covered employers are permitted to restrict the six-week paid parental leave period to only one parent if both parents work for the employer. The number of parental leave periods employees may take is unlimited over the duration of their employment with the covered employer, with the only restriction being that employees are eligible for one six-week paid leave period per birth or adoption. The leave runs concurrently with, and may not be added to, unpaid or job protected leave that may otherwise be afforded, such as under the federally mandated Family and Medical Leave Act (FMLA). The proposed ordinance's paid parental leave provisions mirror that which currently exist for County employees, prescribing that employees are to be paid 100 percent of his or her base wages for the first two weeks, 75 percent of base wages for the following two weeks, and 50 percent of base wages for the remaining two weeks, with the employee having the option of utilizing any accrued leave in order to receive compensation up to 100 percent of pay during the latter four weeks of paid leave.

#### b. Comparison of U.S. Paid Leave Policies

In September 2015, Executive Order (EO) 13706 established paid sick leave for federal contractors. Much like the proposed County ordinance, the Final Rule implementing EO 13706 mandates that certain employers contracting with the federal government provide their employees which perform work on or in connection with covered contracts with up to seven days of paid sick leave annually, including for family

care and absences resulting from domestic violence, sexual assault, and stalking.<sup>13</sup> The EO does not establish parental leave for federal contractors, but instead specifies that paid sick leave may run concurrently with unpaid FMLA leave.

At the state level, the states that have passed paid sick leave laws are Arizona, California, Connecticut, Maryland, Massachusetts, Michigan, New Jersey, Oregon, Rhode Island, Vermont, and Washington, as well as Washington, D.C. Additionally, Maine and Nevada recently enacted laws that mandate certain employers to provide paid leave for any reason, including sickness. The terms of the sick leave vary in application, with four states (California, New Jersey, Vermont, Washington) and Washington, D.C. legislating that all employers in their respective states are to be covered. Other states specify varying threshold amounts at which employers are covered under the paid sick leave law, ranging from employers with 10 or more employees being covered by the state law, to employers with 50 or more employees being covered.

California, Connecticut, Massachusetts, New Jersey, Oregon, Rhode Island, Washington, and Washington, D.C. also have paid parental leave laws. New York state has paid parental leave but has not yet passed a paid sick leave law at the state level. Most states conflate *parental* and *family* leave in their paid leave legislation, having similar qualifying provisions to the federal Family and Medical Leave Act (FMLA), authorizing leave for varying periods for the birth, adoption, or foster care placement of a child and to care for a child within one year of birth or placement, or for one's own serious health condition or that of an employee's spouse, child, or parent to accommodate their care. While the qualifying provisions are usually similar with the FMLA acting as a baseline from which states add or remove certain qualifying provisions, these states build on FMLA by offering paid, rather than just unpaid, job-protected family or parental leave to those qualifying employees.

A comparison of Miami-Dade County's proposed ordinance with state laws mandating paid sick, family and parental leave (also including Washington, D.C., the federal government, and select local jurisdictions) is detailed in Exhibit I.

#### IV. Fiscal, Social and Operational Impacts of Paid Leave

Paid leave affords employees economic security and assistance in balancing work, family and medical needs, with employers usually carrying the fiscal responsibility. Most paid sick, family and parental leave mandates come at a direct cost to employers. Employers bear the cost of paid sick leave at a rate the Department of Labor, Bureau of Labor Statistics calculates to be \$0.32 per labor hour for private industry workers, and \$1.00 per labor hour for state and local government workers. <sup>15</sup>

DEPARTMENT OF LABOR, WAGE AND HOUR DIVISION, Executive Order 13706, Establishing Paid Sick Leave for Federal Contractors: Questions and Answers, <a href="https://www.dol.gov/agencies/whd/government-contracts/sick-leave/faq#EC1">https://www.dol.gov/agencies/whd/government-contracts/sick-leave/faq#EC1</a> (last visited April 29, 2020).

<sup>&</sup>lt;sup>13</sup> Exec. Order No. 13706, 29 C.F.R. § 13.5; Employees performing 'on' a covered contract are those employees directly performing the specific services called for by the contract. Employees performing 'in connection with' a covered contract are those who are performing work activities that are necessary to the performance of a covered contract but who are not directly engaged in performing the specific services called for by the contract itself. U.S.

<sup>&</sup>lt;sup>14</sup> U.S. DEPARTMENT OF LABOR, WAGE AND HOUR DIVISION, *Family and Medical Leave Act*, <a href="https://www.dol.gov/agencies/whd/fmla">https://www.dol.gov/agencies/whd/fmla</a> (last visited April 29, 2020).

<sup>&</sup>lt;sup>15</sup> U.S. DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS, NEWS RELEASE: EMPLOYER COSTS FOR EMPLOYEE COMPENSATION – DECEMBER 2019 (2020), <a href="https://www.bls.gov/news.release/pdf/ecec.pdf">https://www.bls.gov/news.release/pdf/ecec.pdf</a>.

The majority of states with paid family and parental leave laws, however, have workers contribute to the state insurance program, either through a payroll deduction or through employers withholding a percentage of employee wages with employers covering the remaining costs. <sup>16</sup> While there is no direct cost of family or parental leave mandates in these instances, there are indirect costs as a result of providing this benefit, such as maintaining health benefits for workers on leave and the costs of hiring temporary replacements or of training other employees to perform the duties of the employee on leave in order to continue the execution of those tasks during the leave period, as well as the potential burden of depreciation of worker skills during that time.

The economic concern with mandating an employer funded paid sick leave or paid family or parental leave program lies in the potential unintended consequence of employers reducing wages or employment, or increasing the price of their product or services to satisfy paid leave requirements within the confines of their budgets, whether it be due to actual cost-related burdens or anticipatory measures in response to negative perception and assumptions of the law's effects.

#### a. The Effects of Paid Sick Leave

A 2018 study on the labor market effects of U.S. sick pay mandates finds that employment and wage growth have not been significantly affected by paid sick leave laws. The study finds no negative effect on employment or wages postreform, and in some instances, positive employment and wage effects. One explanation for this phenomenon is that sick pay mandates result in the positive externality of reduced infection rates among coworkers or customers, thus decreasing overall sick leave rates, as found in a separate 2018 study examining paid sick leave mandates in Washington, D.C. and Connecticut. This study concluded that employee access to paid sick leave led to substantial decreases in employees taking time off due to illness. The increased productivity this yields can mitigate the employer expense of providing the leave, and even result in stronger wage growth.

The perceptible costs of providing paid sick leave are abated when factoring in the tangential cost of lost productivity due to presenteeism—working while ill. The American Productivity Audit, a 2003 telephone survey of a random sample of 28,902 U.S. workers for the purpose of quantifying the impact of health conditions on work, found that reduced performance at work as a result of personal health amounted to the equivalent of 1.32 lost labor hours per worker per week, while work absence for either personal or family

<sup>&</sup>lt;sup>16</sup> A BETTER BALANCE, Comparative Chart of Paid Family and Medical Leave Laws in the United States (updated on January 7, 2020), <a href="https://www.abetterbalance.org/resources/paid-family-leave-laws-chart/">https://www.abetterbalance.org/resources/paid-family-leave-laws-chart/</a>.

<sup>&</sup>lt;sup>17</sup> Stefan Pichler& Nicholas Ziebarth, *Labor Market Effects of U.S. Sick Pay Mandates*, UPJOHN INSTITUTE FOR EMPLOYMENT RESEARCH (2018),

https://research.upjohn.org/cgi/viewcontent.cgi?article=1311&context=up\_workingpapers.

18 Id

<sup>&</sup>lt;sup>19</sup> John Marotta & Solomon Greene, *Paid Sick Days: What Does the Research Tell Us about the Effectiveness of Local Action?*, URBAN INSTITUTE (January 2019),

https://www.urban.org/sites/default/files/publication/99648/paid\_sick\_days. what does the research tell\_us\_about\_the\_effectiveness\_of\_local\_action\_0.pdf; Jenna Stearns & Corey White, Can Paid Sick Leave Mandates Reduce Leave-Taking?, 51 LABOUR ECONOMICS 227 (2018).

<sup>&</sup>lt;sup>20</sup> Stefan Pichler& Nicholas Ziebarth, *Labor Market Effects of U.S. Sick Pay Mandates*, UPJOHN INSTITUTE FOR EMPLOYMENT RESEARCH (2018),

https://research.upjohn.org/cgi/viewcontent.cgi?article=1311&context=up workingpapers.

health was an average of .67 hours per worker per week.<sup>21</sup> Other factors, such as the possible spread of infection to coworkers, compounds the negative effect on the workplace of employees coming to work sick.

When coupled with health threats such as coronavirus disease 2019 (COVID-19), presenteeism poses the potential for grave public health consequences. In response to the rapid spread of COVID-19, the Center for Disease Control and Prevention (CDC) issued a guidance for employers to plan and respond to the threat. The CDC's recommended course of action is to actively encourage sick employees to stay home and ensure that employer sick leave policies are flexible and consistent with public health guidance.<sup>22</sup>

In light of the current pandemic, paid sick leave has come to the forefront of national concern given that many employees without paid sick leave cannot afford to stay home when sick, increasing the likelihood of contagion. A 2010 study on the 2009 H1N1 pandemic by the Institute for Women's Policy Research, utilizing data from the CDC and the Department of Labor, Bureau of Labor Statistics, found that U.S. employees who attended work while infected with H1N1 caused the infection of as many as seven million other employees.<sup>23</sup>

Comparing the presenteeism of public sector employees—the vast majority of which have access to paid sick leave—with private sector employees during the pandemic period reveals that more than 90 percent of public sector employees took time away from work when infected with H1N1, while only 66 percent of private sector employees remained home while infected.<sup>24</sup> The data suggests that paid sick leave policies played a role in an employee's decision of whether to attend work while ill and that access to paid sick time lowers rates of presenteeism.

Additionally, the CDC finds that providing sick leave to those employees who currently lack these benefits decreases absenteeism at staggering rates. If everyone in the U.S. had access to sick leave, the number of workdays lost due to spread of the flu and similar illness might decrease by nearly 4 to 11 million per year, which translates to a total national cost savings of \$1 billion to \$2 billion each year.<sup>25</sup>

Paid sick leave may also alleviate burdens on the health care sector and decrease medical costs. Employees who lack paid sick leave often postpone or avoid preventive care to avoid the economic burden of missing work without compensation. These employees are three times more likely than employees with access to paid sick leave to forgo medical care for themselves and 1.6 times more likely to forgo medical care for

<sup>&</sup>lt;sup>21</sup> Walter F. Stewart et al., Lost Productive Work Time Costs from Health Conditions in the United States: Results from the American Productivity Audit, JOURNAL OF OCCUPATIONAL AND ENVIRONMENTAL MEDICINE (2003), available at

https://www.nationalpartnership.org/our-work/resources/economic-justice/paid-sick-days/lost-productive-work-time-american-productivity-audit.pdf.

<sup>&</sup>lt;sup>22</sup> CENTER FOR DISEASE CONTROL AND PREVENTION, *Interim Guidance for Businesses and Employers to Plan and Respond to Coronavirus Disease 2019 (COVID-19)*, <a href="https://www.cdc.gov/coronavirus/2019-ncov/specific-groups/guidance-business-response.html">https://www.cdc.gov/coronavirus/2019-ncov/specific-groups/guidance-business-response.html</a> (last visited April 29, 2020).

<sup>&</sup>lt;sup>23</sup> Robert Drago & Kevin Miller, *Sick at Work: Infected Employees in the Workplace During the H1N1 Pandemic*, INSTITUTE FOR WOMEN'S POLICY RESEARCH (February 2010), <a href="https://iwpr.org/wp-content/uploads/wpallimport/files/iwpr-export/publications/B284.pdf">https://iwpr.org/wp-content/uploads/wpallimport/files/iwpr-export/publications/B284.pdf</a>.

<sup>&</sup>lt;sup>25</sup> Christopher Ingraham, *Our Lack of Paid Sick Leave Will Make the Coronavirus Worse*, WASHINGTON POST, March 3, 2020, <a href="https://www.washingtonpost.com/business/2020/03/03/our-lack-paid-sick-leave-will-make-coronavirus-worse/">https://www.washingtonpost.com/business/2020/03/03/our-lack-paid-sick-leave-will-make-coronavirus-worse/</a>.

their family. <sup>26</sup> Seeking preventive care with primary care physicians is often cost prohibitive, as it involves taking unpaid time off to accommodate the doctor's working hours. The result is more emergency room visits and the need for more extensive medical intervention that comes at a higher cost to the employee needing the care as well as the U.S. health care system as a whole.<sup>27</sup> Providing paid sick leave nationwide to those employees who currently lack these benefits would prevent an estimated 1.3 million hospital visits nationwide each year, reducing medical costs by \$1.1 billion annually.<sup>28</sup>

#### i. Projected Cost of Providing Paid Sick Leave to Employees of Contractors Contracting with **Miami-Dade County**

In order to estimate the fiscal impact of the paid leave requirements prescribed in the proposed ordinance, the Office of the Commission Auditor conducted a web-based survey. The purpose of the survey was to assess covered employers that met the proposed ordinance criteria of having a service contract with the County at a minimum value of \$100,000 and 15 or more employees. Out of 414 surveyed vendors, <sup>29</sup> 49 (12%) completed the survey, which statistically is a reasonable sample representation of the total population, using a 90% confidence level and an 11% confidence interval.

OCA examined the 49 completed surveys and concluded that 26 (53%) would be considered covered employers, as defined above. Figure 4 illustrates such eligible employers by the service type they provide.

<sup>&</sup>lt;sup>26</sup> Robert Drago & Kevin Miller, Sick at Work: Infected Employees in the Workplace During the HINI Pandemic, INSTITUTE FOR WOMEN'S POLICY RESEARCH (February 2010), https://iwpr.org/wpcontent/uploads/wpallimport/files/iwpr-export/publications/B284.pdf

<sup>&</sup>lt;sup>27</sup>John Marotta & Solomon Greene, Paid Sick Days: What Does the Research Tell Us about the Effectiveness of Local Action?. URBAN INSTITUTE (January 2019). https://www.urban.org/sites/default/files/publication/99648/paid sick days. what does the research tell us about

the effectiveness of local action 0.pdf.

28 Kevin Miller, Claudia Williams & Youngmin Yi, Paid Sick Days and Health:

Cost Savings from Reduced Emergency Department Visits, INSTITUTE FOR WOMEN'S POLICY RESEARCH (November 2011), https://iwpr.org/wp-content/uploads/wpallimport/files/iwpr-export/publications/B301-PSD&ED.pdf.

<sup>&</sup>lt;sup>29</sup> A list of targeted vendors is determined based on the data on active contractors provided by the Internal Services Department of the Miami-Dade County as of March 31, 2020.

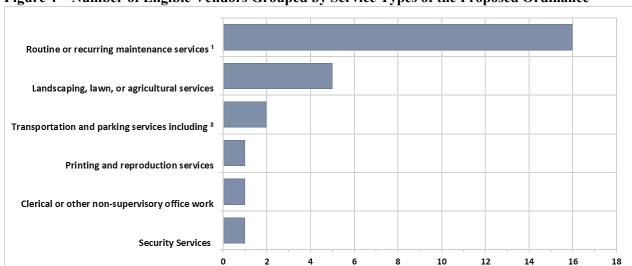


Figure 4 – Number of Eligible Vendors Grouped by Service Types of the Proposed Ordinance

Notes:

The sample results were extrapolated to the rest of the population, equating to the estimated number of total covered employers of 219.<sup>30</sup> In addition, OCA calculated the mean and the median of workers per employer for the sample received, 30 and 5 for the full-time employees and 34 and 0 for the part-time employees, respectively. In order to eliminate the impact of the outliers, the median was utilized as a reasonable estimate.

As a result, Figure 5 contains a projected number of employees that are presented by the occupational group and the type of employment with the corresponding average base of the salaries and wages, which serve as key metrics for the estimated total fiscal impact calculation shown in Figure 6.

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<sup>&</sup>lt;sup>1</sup> Routine or recurring maintenance services, such as custodial, cleaning, refuse removal, repair, refinishing, and recycling.

<sup>&</sup>lt;sup>2</sup> Transportation and parking services including, but not limited to, airport and seaport services.

<sup>&</sup>lt;sup>30</sup> 219 is the sample mean, which is used as a basis for this analysis. Taking into consideration a confidence interval of 11% and the confidence level of 90%, the estimated total number of vendors can range from 195 to 243.

Figure 5 – Key Metrics on Paid Sick Leave

Occupational Group <sup>1</sup>		Wages an verage Ho			Total Estimated Number of Employees <sup>3</sup>				
	Fu	Full-Time P		rt-Time	Full-Time	Part-Time	Total		
Office and Administrative Support	\$	20.01	\$	14.21	335	800	1,135		
Service	\$	14.41	\$	11.59	372	12	384		
Installation, maintenance, and repair	\$	24.77	\$	17.79	994	143	1,137		
Production	\$	19.25	\$	13.29	39	-	39		
Transportation and material moving	\$	21.54	\$	13.72	75	-	75		
Total					1,815	955	2,770		

#### Notes:

Figure 6 displays a projected total fiscal impact under two scenarios of paid sick hours utilized for the pool of eligible vendors at \$2.3 and \$3.0 million, which is 2.1% and 2.7% in additional costs to the covered employers.<sup>33</sup> This calculation does not account for potential offsetting savings to the employers or benefit to public health, and it also assumes that any time taken in the past for the sick leave was not previously compensated.

Figure 6 – Projected Annual Cost for Utilized Sick Paid Leave Hours

3	Scenario 1: I	Based on 45 hi	rs/yr utilized	Scenario 2: Based on 56 hrs/yr utilized			
Occupational Group	for FT and	38 hrs/yr utili	zed for PT <sup>1</sup>	f	or FT and PT <sup>2</sup>		
	Full-Time	Part-Time	Total	Full-Time	Part-Time	Total	
Office and Administrative Support	\$ 302,912	\$ 431,377	\$ 734,289	\$ 375,388	\$ 636,608	\$ 1,011,996	
Service	\$ 242,232	\$ 5,278	\$ 247,509	\$ 300,189	\$ 7,788	\$ 307,978	
Installation, maintenance, and repair	\$ 1,112,593	\$ 96,535	\$ 1,209,128	\$ 1,378,797	\$ 142,462	\$ 1,521,260	
Production	\$ 33,925	\$ -	\$ 33,925	\$ 42,042	\$ -	\$ 42,042	
Transportation and material moving	\$ 73,001	\$ -	\$ 73,001	\$ 90,468	\$ -	\$ 90,468	
Total	\$ 1,764,663	\$ 533,190	\$ 2,297,852	\$ 2,186,884	\$ 786,859	\$ 2,973,743	

#### Notes

<sup>&</sup>lt;sup>1</sup> "Occupational Group" is based on U.S. Department of Labor data. <sup>31</sup> In order to apply such statistics, categories of the occupational groups have been reasonably mapped with the service type under the proposed ordinance (Exhibit II).

<sup>&</sup>lt;sup>2</sup>"Wages and Salaries: Average Hourly Rate" is based on U.S. Department of Labor data. <sup>32</sup> Both: full- and part-time employees are assumed to be qualified for the full benefit. Full-time workers assumed to work 35 hours or more per week, while part-time workers assumed to work less than 35 hours per week, both having 52 working weeks per year. <sup>3</sup> "Total Estimated Number of Employees" include 26 covered employers under the survey as well as the statistically projected additional 193.

<sup>&</sup>lt;sup>1</sup> "Scenario 1" is based on the U.S. Department of Labor national yearly average number of sick utilized hours for full-time (FT) and part-time (PT) workers, 45 and 38 hours, respectively.<sup>34</sup>

<sup>&</sup>lt;sup>2</sup> "Scenario 2" is based on the minimum of 56 hours a year under the proposed ordinance for both, full-time and part-time employees.

<sup>&</sup>lt;sup>31</sup> U.S. DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS, NEWS RELEASE: EMPLOYER COSTS FOR EMPLOYEE COMPENSATION – DECEMBER 2019 (2020), <a href="https://www.bls.gov/news.release/pdf/ecec.pdf">https://www.bls.gov/news.release/pdf/ecec.pdf</a>.

<sup>32</sup> Id

<sup>&</sup>lt;sup>33</sup> None of the scenarios are considering other additional and offsetting costs, such as legal fees for the policy implementation, temporary hires or redistribution of responsibilities to cover absent employees, tax implications and other variables.

<sup>&</sup>lt;sup>34</sup> U.S. DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS, ACCESS TO AND USE OF LEAVE — 2017-2018 DATA FROM THE AMERICAN TIME USE SURVEY (2019), <a href="https://www.bls.gov/news.release/pdf/leave.pdf">https://www.bls.gov/news.release/pdf/leave.pdf</a>.

Based on the findings of the conducted survey, Figure 7 illustrates the potential fiscal impact per covered employee under two scenarios by the type of employment and the occupational group, taking into consideration the corresponding average hourly salary rate, as described above.

Figure 7 - Projected Annual Cost for Utilized Sick Paid Leave Hours per Employee

Occupational Group	Wages and S p Average Hou				enario 1: Bas Itilized for F1 utilized	an	• •	Sce	enario 2: Bas utilized fo		
	Ful	II-Time	Pa	rt-Time	Full-Time		Part-Time		Full-Time	F	art-Time
Office and Administrative Support	\$	20.01	\$	14.21	\$ 904	\$	539	\$	1,121	\$	796
Service	\$	14.41	\$	11.59	\$ 651	\$	440	\$	807	\$	649
Installation, maintenance, and repair	\$	24.77	\$	17.79	\$ 1,119	\$	675	\$	1,387	\$	996
Production	\$	19.25	\$	13.29	\$ 870	\$	504	\$	1,078	\$	744
Transportation and material moving	\$	21.54	\$	13.72	\$ 973	\$	521	\$	1,206	\$	768

#### ii. Connecticut Case Study

As the first state in the U.S. to pass legislation posing paid sick leave requirements, Connecticut acts as a bellwether for the effects of this policy on employers and employees. This 2011 law applies to Connecticut entities employing 50 or more workers, excluding manufacturing businesses and nationally chartered non-profit organizations.<sup>35</sup> Per diem and temporary are also ineligible for coverage.<sup>36</sup> The law allowed access to paid sick leave for numerous part-time workers in the state for the first time.

The Center for Economic and Policy Research conducted a survey of 251 Connecticut employers covered by the new law, as well as on-site interviews with managers of 15 covered organizations in the state a year and a half after the law went into effect with the intent of revealing employer impacts of providing paid sick leave to their employees. The study revealed that the state's paid sick leave policy had a modest fiscal impact on employers, finding a minimal administrative burden with some employers reporting positive peripheral benefits, such as improved morale and reductions of the spread of illness in the workplace.<sup>37</sup>

Figure 8

Survo		
Employer-reported effects of paid sick leave law, Connecticut, 2013		
Reduced employee turnover	3.3%	(N=236)
Reduced number of employees who come to work sick	18.8%	(N=230)
Reduced spread of illness	14.8%	(N=211)
Increased productivity	14.9%	(N=226)
Increased unscheduled absences	33.2%	(N=238)
Improved morale	29.6%	(N=229)
Increased motivation	12.5%	(N=234)
Increased loyalty	10.6%	(N=231)

Forty-seven (47) percent of the 227 employers responding reported having no increased overall cost, and 30 percent of employers reported an increased cost of 2 percent or less.<sup>38</sup> A small percentage of employers

<sup>35</sup> https://cepr.net/documents/good-for-buisness-2014-02-21.pdf

<sup>&</sup>lt;sup>36</sup> *Id*.

<sup>&</sup>lt;sup>37</sup> *Id*.

<sup>&</sup>lt;sup>38</sup> *Id*.

surveyed (sample size of 240) noted making changes to their operations due to increased costs associated with complying with the new law.

Figure 9

Change in business practices due to cost increases from paid sick leave law, Connecticut, 2013					
(percent of establishments)					
Reduced wages	1.0%				
Reduced employee hours	10.6%				
Increased prices	15.5%				
Reduced operating hours	3.4%				
Reduced quality of service	1.3%				

A more recent (2016) study examining the labor market effects of Connecticut's sick leave mandate shows inconclusive overall results regarding employers decreasing employee hours and wages to compensate for the cost of providing paid sick leave.<sup>39</sup> However, when examining the labor market impact on different age groups, the study finds that the average worker aged between 20 and 34 sees a 1.5 percent reduction in annual hours worked (amounting to about 24 hours annually) as a result of the sick leave mandate, and a decrease in an employee's annual income by approximately 850 dollars, or 3.3 percent.<sup>40</sup> The study concludes that the negative impact of Connecticut's paid sick leave mandate seems to be small on average, but significant for younger workers, most of which are employed by businesses that did not provide paid sick leave prior to the implementation of the state's paid sick leave law.<sup>41</sup> The correlation suggests that the increased labor costs employers face when providing paid sick leave in response to the state mandate are initially shifted to their employees in the form of decreased hours and wages for these workers, which tend to be a younger demographic.<sup>42</sup>

#### b. The Effects of Paid Parental Leave

Paid parental leave provides an employee with income stability during what might otherwise be a financially uncertain time. The costs of providing parental leave, including the cost of the program itself, maintaining health benefits for workers on leave, and training or hiring temporary replacement workers, are potentially mitigated when considering that paid leave increases the probability that employees return to the same employer after the leave period, eliminating the recruitment, hiring and training costs of replacing that worker. <sup>43</sup> The short-term costs of providing parental leave may thus prevent employer cost burdens in the long run as it may deter an employee from ending their employment when needing to take extended leave to care for a child after birth, adoption, or foster care placement.

A 2008 study of the 34 Organization for Economic Cooperation and Development (OECD) member countries finds that paid parental leave results in increased employee productivity. Paid parental leave has

<sup>&</sup>lt;sup>39</sup> Dr. Thomas Ahn, *The Labor Market Impacts of Paid Sick Leave: Evidence from Connecticut, EMPLOYMENT POLICIES INSTITUTE* (August 2016), <a href="https://www.epionline.org/wp-content/uploads/2016/08/Paid-Sick-Leave-Study-4.pdf">https://www.epionline.org/wp-content/uploads/2016/08/Paid-Sick-Leave-Study-4.pdf</a>.

<sup>&</sup>lt;sup>40</sup> *Id*.

<sup>&</sup>lt;sup>41</sup> *Id*.

<sup>42</sup> Id

<sup>&</sup>lt;sup>43</sup> Barbara Gault et al., *Paid Parental Leave in the United States: What the Data Tell Us about Access, Usage, and Economic and Health Benefits,* INSTITUTE FOR WOMEN'S POLICY RESEARCH. (2014), *available at* https://digitalcommons.ilr.cornell.edu/cgi/viewcontent.cgi?article=2608&context=key workplace.

been shown to lead to increases in the length of time workers stay at firms or in the labor market, thus fostering the acquisition of additional experience and skills that boost employee productivity over time. The study estimates that the United States would see an increase in multifactor productivity of approximately 1.1 percent over time if it were to institute paid maternity leave at the average OECD level of 15 weeks.<sup>44</sup>

## i. Projected Cost of Providing Paid Parental Leave to Employees of Contractors Contracting with Miami-Dade County

An analysis of historical data of Miami-Dade County government's employees for the FY 2018 and FY 2019, using a two-year average approach, revealed that out of all 23,786 County employees eligible for parental leave, only 2.3% utilize the benefit. This percent has been applied to the number of covered full-time and part-time workers estimated in the analysis, resulting in 42 and 21 employees, respectively, as depicted in Figure 10.

Figure 10 - Key Metrics on Parental Leave

	V	Vages an	d Sa	laries:	<b>Total Estimated Number of</b>				
Occupational Group <sup>1</sup>	A	verage H	ourly	Rate <sup>2</sup>	Employees <sup>3</sup>				
	Fu	Full-Time		rt-Time	Full-Time	Part-Time	Total		
Office and Administrative Support	\$	20.01	\$	14.21	8	18	26		
Service	\$	14.41	\$	11.59	8	-	8		
Installation, maintenance, and repair	\$	24.77	\$	17.79	23	3	26		
Production	\$	19.25	\$	13.29	1	-	1		
Transportation and material moving	\$	\$ 21.54		13.72	2	-	2		
Total					42	21	63		

#### Notes:

<sup>1</sup> "Occupational Group" is based on U.S. Department of Labor data. <sup>45</sup>In order to apply such statistics, categories of the occupational groups have been reasonably mapped with the service type under the proposed ordinance (Exhibit II).

The results, depicted in Figure 11, illustrate a projected total fiscal impact of \$219K and \$292K for Scenarios 1 and 2, respectively, which is equivalent to the incremental cost of 0.2% (Scenario 1) and 0.3%

<sup>&</sup>lt;sup>2</sup> "Wages and Salaries: Average Hourly Rate" is based on U.S. Department of Labor data. <sup>46</sup> Both: full- and part-time employees are assumed to be qualified for the full benefit. Full-time workers assumed to work 35 hours or more per week, while part-time workers assumed to work less than 35 hours per week, both having 52 working weeks per year. <sup>3</sup> "Total Estimated Number of Employees" is calculated across all occupational groups based on the total estimated covered employees multiplied by the 2.3%, which is the average percent of the County employees, who used the parental leave over the period of two fiscal years.

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<sup>&</sup>lt;sup>44</sup> The Department of Labor, Bureau of Labor Statistics defines *multifactor productivity* as a measure of economic performance that compares the amount of output to the amount of combined inputs used to produce that output. Combinations of inputs can include labor, capital, energy, materials, and purchased services. U.S. DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS, *Multifactor Productivity*, <a href="https://www.bls.gov/mfp/">https://www.bls.gov/mfp/</a> (last visited August 29, 2020); Andrea Bassanini & Danielle Venn, *The Impact of Labour Market Policies on Productivity in OECD Countries*, INTERNATIONAL PRODUCTIVITY MONITOR (Fall 2008), *available at* <a href="http://www.csls.ca/ipm/17/IPM-17-bassanini.pdf">http://www.csls.ca/ipm/17/IPM-17-bassanini.pdf</a>. <sup>45</sup> U.S. DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS, NEWS RELEASE: EMPLOYER COSTS FOR EMPLOYEE COMPENSATION – DECEMBER 2019 (2020), <a href="https://www.bls.gov/news.release/pdf/ecec.pdf">https://www.bls.gov/news.release/pdf/ecec.pdf</a>. <sup>46</sup> *Id*.

(Scenario 2) to the covered employer.<sup>47</sup> This calculation is based on the assumption that any time taken in the past for parental leave was not previously compensated.

There are two scenarios that have been presented: the first one is based on six weeks that can be taken as paid parental leave with the corresponding weights of 100%, 75% and 50% for each two weeks, which is applied to the compensation, while the second scenario considers the option to utilize any accrued leave in order to receive compensation up to 100% of pay during the latter four weeks of paid parental leave. Consequently, Scenario 2 equates to an extra 60 hours per year, which is four hours added to the minimum 56 hours of paid sick leave under the proposed ordinance.

Figure 11 - Projected Annual Cost for Utilized Parental Leave Hours

Sco	Scenario		Weeks	Compensation	Number of Hours		All Oc	cupa	ational G	rou	ps <sup>1</sup>
				Weight	nours	Fu	ull-Time	Pa	rt-Time		Total
ä	eave	eq	Week 1-2	100%	80	\$	72,592	\$	24,732	\$	97,324
ario		clud	Week 3-4	75%	80	\$	54,444	\$	18,549	\$	72,993
Scenario 1:	ccrued	not included	Week 5-6	50%	80	\$	36,296	\$	12,366	\$	48,662
0,	AC	_	Total		240	\$	163,332	\$	55,647	\$	218,979
5:	ave	_	Week 1-2	100%	80	\$	72,592	\$	24,732	\$	97,324
ario	ed le	included	Week 3-4	75% + 25%	80	\$	72,592	\$	24,732	\$	97,324
Scenario 2:	ccrued leav	incli	Week 5-6	50% + 50%	80	\$	72,592	\$	24,732	\$	97,324
9,	ğ		Total		240	\$	217,776	\$	74,196	\$	291,972

Notes:

Figure 12 shows a potential fiscal impact per covered employee under two scenarios by the type of employment, taking into consideration the corresponding average hourly salary rate per each occupational group, as described above. As a result, the variance between two options equates to approximately 25%.

Figure 12 - Projected Annual Cost for Utilized Parental Leave Hours per Employee

Scenario 1: Accrued leave not included							
Occupational Group	Full-Time	Part- Time					
Office and Administrative Support	\$ 3,602	\$ 2,558					
Service	\$ 2,594	\$ 2,086					
Installation, maintenance, and repair	\$ 4,459	\$ 3,202					
Production	\$ 3,465	\$ 2,392					
Transportation and material moving	\$ 3,877	\$ 2,470					

Scenario 2: Accrued leave included								
Occupational Group	Ful	l-Time		Part- Time				
Office and Administrative Support	\$	4,802	\$	3,410				
Service	\$	3,458	\$	2,782				
Installation, maintenance, and repair	\$	5,945	\$	4,270				
Production	\$	4,620	\$	3,190				
Transportation and material moving	\$	5,170	\$	3,293				

<sup>&</sup>lt;sup>1</sup> "All Occupational Groups" include results for all applicable occupational groups.

<sup>&</sup>lt;sup>47</sup> None of the scenarios are considering other additional and offsetting costs, such as legal fees for the policy implementation, temporary hires or redistribution of responsibilities to cover absent employees, tax implications and other variables.

#### ii. California Case Study - Operational Impacts of Paid Parental Leave

California's Paid Family Leave Program offers partial wage replacement (60-70% of an employee's salary, depending on income, up to \$1,300 per week) for up to six weeks during any 12-month period to care for seriously sick family members or to bond with a new child after birth, adoption, or foster care placement. <sup>48</sup> The program is funded by an employee-paid payroll tax mandatory for all California employees, and is structured as an insurance benefit at no direct cost to employers. Employees become eligible for the benefit after having earned at least \$300 from which State Disability Insurance deductions were withheld during the preceding 18 months. Employees pay into the program through contributions to the State Disability Insurance program at a withholding rate of 1%, with a maximum of \$1,229.09 withheld per employee each year. <sup>49</sup> The program is virtually universal in its coverage—all private and nonprofit sector workers are included, regardless of employer size. Public employers may opt into the program.

Concerns about the law prior to its passage in 2002 were from the employer perspective. Expenses associated with covering the duties of absent workers, such as overtime pay and training costs for coworkers asked to perform the tasks of those on leave, or costs of temporary replacements were feared to be too burdensome. A 2009-2010 employer survey of 253 employers examines the effects of the law over six years after its implementation. The study finds that the vast majority of employers of a sample size of 175 that includes small businesses reported that the law had minimal impact on their business operations and a positive or no noticeable effect on productivity (89 percent), profitability/performance (91 percent), turnover (93 percent) and employee morale (99 percent).

Figure 13

Employer Assessments of the Effects of California's Paid Family Leave Program by Number of Employees (2010)<sup>51</sup>

"No noticeable effect" or "positive effect" on:	Less than 50 Employees	50–99 Employees	100+ Employees	All Employer Respondents
Productivity	88.8%	86.6%	71.2%	88.5%
Profitability/Performance	91.1%	91.2%	77.6%	91.0%
Turnover	92.2%	98.6%	96.6%	92.8%
Morale	98.9%	95.6%	91.5%	98.6%

The study also finds high employee retention rates post reform. More than 95 percent of the survey's respondents who took family leave returned to work at the end of the leave period, and more than 80 percent returned to the same employer.<sup>52</sup>

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<sup>&</sup>lt;sup>48</sup> Effective July 1, 2020, the total claim timeframe is extended from six weeks to eight weeks. STATE OF CALIFORNIA, EMPLOYMENT DEVELOPMENT DEPARTMENT, *Calculating Paid Family Leave Benefit Payment Amount*, <a href="https://www.edd.ca.gov/disability/Calculating">https://www.edd.ca.gov/disability/Calculating</a> PFL Benefit Payment Amounts.htm (last visited April 29, 2020).

<sup>&</sup>lt;sup>49</sup> STATE OF CALIFORNIA, EMPLOYMENT DEVELOPMENT DEPARTMENT, What Are State Payroll Taxes?, https://www.edd.ca.gov/Payroll Taxes/What Are State Payroll Taxes.htm (last visited April 29, 2020).

<sup>&</sup>lt;sup>50</sup> Eileen Appelbaum & Ruth Milkman, Leaves that Pay: Employer and Worker Experiences with Paid Family Leave in California (2011), available at <a href="http://paidfamilyleave.org/pdf/leaves\_that\_pay.pdf">http://paidfamilyleave.org/pdf/leaves\_that\_pay.pdf</a>.

<sup>51</sup> Id.

<sup>&</sup>lt;sup>52</sup> *Id*.

#### V. Conclusion

OCA's review of studies and literature on the topic of Paid Sick, Family and Parental Leave, finds that the decision to provide paid leave for employees relies on balancing the economic impact and social benefit to arrive at a preferred outcome for both the employer and employees. The fiscal analysis concludes that the projected increase to direct costs for businesses governed by paid leave mandates is nominal as a percentage of their overall personnel cost. Additionally, the externalities of reduced workplace contagion and presenteeism, and the lost productivity that comes with those factors, results in the program either being cost neutral or generating cost savings for the employer, with the added benefit of improved public health.

Paid parental leave is also a benefit that fosters employee retention, therefore reducing costs associated with recruiting and training new workers. While paid parental leave is the more costly program given the length of leave time for which the employer is providing compensation, the percentage of employees electing to take parental leave is minimal, thus curtailing the cost burden on the employer offering the benefit.

Finally, to establish the precise financial impact of any paid leave policy to Miami-Dade County and certain contractors, a comprehensive review of all those contractors and their related contracts will be vital. Also, a detailed analysis of the offsetting fiscal and social benefits that may directly or indirectly reduce costs will be required.

#### VI. Exhibits

Exhibit I - Comparison of Paid Sick, Family and Parental Leave Laws in Select U.S. Jurisdictions<sup>53</sup>

	Governing	1	& Eligibility	Select U.S. Jurisdictions <sup>33</sup>
Jurisdiction	Authority and Effective Date	Covered Employer	Covered Employee	Calculation of Leave Provided
Miami-Dade County (proposed ordinance)	Legistar File No. 200299; Pending Passage	County service contractors (and their subcontractors) employing 15 or more employees through county contracts valued at over \$100,000 per year for provision of the following covered services: 1) Food preparation, distribution or both; 2) Security services; 3) Routine or recurring maintenance services such as custodial, cleaning, refuse removal, repair, refinishing, and recycling; 4) Clerical or other non-supervisory office work, whether temporary or permanent; 5) Transportation and parking services including, but not limited to, airport and seaport services; 6) Printing and reproduction services; or	Full or part time employees of a service contractor	Sick and Family Leave: One (1) hour of paid sick and family leave for every 30 hours worked, or no less than 56 hours of paid time off at the beginning of each 12-month period of employment. A covered employer may not set a limit on the total award or accrual of paid sick and family leave per fiscal year at less than 56 hours.  Parental Leave: Six (6) weeks of paid parental leave for the purpose of caring for his or her own newborn, newly-adopted, or newly-placed preadoptive foster child or children.

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<sup>&</sup>lt;sup>53</sup> Exhibit I includes all states with statewide paid sick, family and parental leave laws, and select local jurisdictions with paid sick, family and parental leave laws. A BETTER BALANCE, *Comparative Chart of Paid Family and Medical Leave Laws in the United States* (updated on January 7, 2020), <a href="https://www.abetterbalance.org/resources/paid-family-leave-laws-chart/">https://www.abetterbalance.org/resources/paid-family-leave-laws-chart/</a>; A BETTER BALANCE, *Overview of Paid Sick Time Laws in the United States* (updated on April 17, 2020), <a href="https://www.abetterbalance.org/paid-sick-time-laws/?export">https://www.abetterbalance.org/paid-sick-time-laws/?export</a>; NATIONAL PARTNERSHIP FOR WOMEN & FAMILIES, *State Paid Family and Medical Leave Insurance Laws* (August 2019), <a href="https://www.nationalpartnership.org/our-work/resources/economic-justice/paid-leave/state-paid-family-leave-laws.pdf">https://www.nationalpartnership.org/our-work/resources/economic-justice/paid-leave/state-paid-family-leave-laws.pdf</a>.

	Governing		& Eligibility	
Jurisdiction	Authority and Effective Date	Covered Employer	Covered Employee	Calculation of Leave Provided
Federal (U.S.	Executive Order	7) Landscaping, lawn, or agricultural services.  Applies to the	Employees performing	One (1) hour of paid sick leave
Government Contractors)	13706; Applies to solicitations issued on or after January 1, 2017	following types of federal contracts:  1) procurement contracts for construction covered by the Davis-Bacon Act (DBA);  2) service contracts covered by the Service Contract Act (SCA);  3) concession contracts, including any concessions contract excluded from the SCA by DOL's regulations at 29 CFR 4.133(b);  4) contracts in connection with federal property or lands and related to offering services for federal employees, their dependents, or the general public (this includes leases).	work "on or in connection with" covered contracts and whose wages under those covered contracts are governed by the DBA, SCA, or Fair Labor Standards Act (FLSA), including employees who qualify for an exemption from the FLSA's minimum wage and overtime provisions. 54	for every 30 hours worked on or in connection with a covered contract, or no less than 56 hours of paid sick leave at the beginning of each accrual year. A contractor may limit an employee's paid sick leave accrual each year to 56 hours.
Arizona	Sick Leave:	Sick Leave: Workers in businesses with 15 or	Sick Leave: Workers employed by an employer	Sick Leave: One (1) hour for every 30 hours with a maximum

<sup>&</sup>lt;sup>54</sup> Supra note 13.

	Governing	Coverage & Eligibility		
Jurisdiction	Authority and Effective Date	Covered Employer	Covered Employee	Calculation of Leave Provided
	Fair Wages and Healthy Families Act; July 1, 2017	more workers can earn up to 40 hours of paid sick time per year. Workers in businesses with fewer than 15 can earn up to 24 hours of paid sick time per year	in Arizona are covered. State government workers, but not local government workers, are exempted.	of 40 hours per year for workers in businesses with 15 or more workers and 24 hours per year for workers in businesses with fewer than 15 workers.
California	Sick Leave: Healthy Workplace Healthy Family Act of 2014; July 1, 2015  Parental & Family Leave: Paid Family Leave Program (DE 2530); July 1, 2004	Sick Leave: All California employers.  Parental & Family Leave: All private sector employers are covered.	Sick Leave: Employees, including part-time and temporary employees, who work in California for 30 or more days within a year from the beginning of employment.  Parental & Family Leave: Employees covered by the state unemployment insurance law, except for most public employees, are covered.	Sick Leave: One (1) hour of paid sick leave for every 30 hours worked. Employers may limit the amount of paid sick time a worker can earn to 48 hours. Employers may also limit the paid sick time a worker can use each year to 24 hours.  Parental & Family Leave— Own health: up to 52 weeks for any period of disability. Family/parental leave: up to 6 weeks in a 12-month period. Wage replacement rate is 60% or 70%, subject to a maximum benefit amount, with the higher percentage for those employees earning 30% or less of the California average wage.
Connecticut	Sick Leave: Paid Sick Leave Act; January 1, 2012  Parental & Family Leave: Family and Medical Leave Act; January 1, 2022	Sick Leave: Connecticut employers with 50 or more employees; excluding manufacturing businesses and nationally chartered non-profit organizations.  Parental & Family Leave: All private sector employers are covered; self-employed individuals; and state or local employees.	Sick Leave: Employees of Connecticut businesses employing 50 or more workers, excluding manufacturing businesses and nationally chartered non-profit organizations; per diem and temporary workers are ineligible for coverage.  Parental & Family Leave: All private sector and many public sector employees are covered.	Sick Leave: One (1) hour for every 40 hours worked with a maximum of 40 hours per year.  Parental & Family Leave— Own health: up to 12 weeks in a 12- month period. Family/parental leave: up to 12 weeks in a 12- month period. Total: up to 12 weeks in a 12- month period.
Maine	Paid Leave for Any Reason:	Paid Leave for Any Reason:	Paid Leave for Any Reason:	Paid Leave for Any Reason:

Governing		Coverage	& Eligibility	
Jurisdiction	Authority and Effective Date	Covered Employer	Covered Employee	Calculation of Leave Provided
	Act Authorizing Earned Employee Leave; January 1, 2021	Maine employers with 10 or more employees.	All full-time employees of businesses with 10 or more employees except for those in seasonal industries.	One (1) hour for every 40 hours worked with a maximum of 40 hours per year.
Maryland	Sick Leave: Healthy Working Families Act; February 11, 2018	Sick Leave: Maryland employers with 15 or more employees.	Sick Leave: Workers employed in Maryland who regularly work at least 12 hours per week are covered. The following workers are exempted: independent contractors; agricultural workers; certain realtors who work solely on a commission basis; workers under the age of 18 before the beginning of the year; certain workers employed by a temporary services agency to provide temporary staffing to another person if the agency does not have day-to-day control over the work assignments and supervision of the worker; workers directly employed by an employment agency to provide part-time or temporary services to another person; workers that are on-call in a health or human services industry that can reject or accept a shift, not guaranteed to be called on to work, and not employed by a temporary staffing agency.	Sick Leave: (One) 1 hour for every 30 hours worked. Employers with 15 or more employees may cap the amount of sick time a worker earns at 40 hours of paid sick time per year. Employers with 14 or fewer employees shall at least provide an employee with 40 hours of unpaid, job protected sick time per year. Employers may cap the amount of sick time a worker can use at 64 hours per year.
Massachusetts	Sick Leave: Earned Sick Time Law; July 1, 2015	Sick Leave: Massachusetts employers with 11 or more employees.	Sick Leave: Workers employed in Massachusetts. Workers employed by cities and towns are only covered if	Sick Leave: (One) 1 hour for every 30 hours with a maximum of 40 hours per year for workers in businesses with 11 or more workers and 40 hours unpaid,
	Parental & Family Leave:	Parental & Family Leave: Private sector	the law is accepted by vote or appropriation as	job-protected sick time per year

	Governing	Coverage	& Eligibility	
Jurisdiction	Authority and Effective Date	Covered Employer	Covered Employee	Calculation of Leave Provided
	Massachusetts Parental Leave Act; July 1,	employers and state government.	provided in the State Constitution.	for workers in businesses with fewer than 11 workers.
	2021		Parental & Family Leave: Employees covered by the state unemployment insurance law, except for some public employees.	Parental & Family Leave— Own health: up to 20 weeks in any benefit year. Family/parental leave: up to 12 weeks in any benefit year. Total: up to 26 weeks in any benefit year.
Michigan	Sick Leave: Paid Medical Leave Act; March 29, 2019	Sick Leave: Michigan employers with 50 or more employees.	Sick Leave: Michigan workers who work for an employer with 50 or more employees. The following workers are exempt: government workers; workers whose primary work location is not in Michigan; workers who are exempt from the overtime requirements under the Fair Labor Standards Act; certain railway and air carrier workers; workers who are employed for 25 weeks or fewer in a calendar year for a job scheduled for 25 weeks or fewer; workers who worked, on average, fewer than 25 hours per week during the immediately preceding calendar year; variable hour employees as defined in 26 CFR 54.4980H-1; workers described in section 29(1)(1) of the Michigan Employment Security Act; and workers whose minimum hourly wage rate is determined under section 4b of the Improved Workforce	Sick Leave: One (1) hour for every 35 hours worked with a maximum of 40 hours per year.
New Jersey	Sick Leave: Earned Sick Leave Law;	Sick Leave: All New Jersey employers.	Opportunity Wage Act.  Sick Leave: Workers employed in New Jersey. Public employees who are	Sick Leave: One (1) hour for every 30 hours worked with a maximum of 40 hours per year.

	Governing	Coverage	& Eligibility	
Jurisdiction	Authority and Effective Date	Covered Employer	Covered Employee	Calculation of Leave Provided
	October 29, 2018  Parental & Family Leave: New Jersey's Family Leave Act; July 1, 2020 (Expanded version)	Parental & Family Leave: Private and public sector employers covered by the New Jersey Unemployment Compensation law.	provided with sick leave with full pay pursuant to any other law, rule, or regulation of the State are exempted. Per diem health care employees are also exempted.  Parental & Family Leave: Employees covered by the state unemployment insurance law are covered, with some exceptions for public sector employees.	Parental & Family Leave— Own health: up to 26 weeks for any period of disability. Family/parental leave: up to 6 weeks in a 12- month period. Beginning July 1, 2020, workers will be able to take up to 12 weeks of family leave.
New York	Parental & Family Leave: Paid Family Leave Act; January 1, 2020 (Updated version)	Parental & Family Leave: Most private sector employers are covered; self-employed individuals can opt in.	Parental & Family Leave: Most private sector employees are covered.	Parental & Family Leave— Own health: up to 26 weeks for any period of disability or in any 52-week period. Family/parental leave: up to 10 weeks in a 52-week period. Total: up to 26 weeks in a 52-week period. When the program is fully phased in in 2021, workers will be able to take up to 12 weeks of family leave.
Nevada	Paid Leave for Any Reason: Senate Bill 312; January 1, 2020	Paid Leave for Any Reason: Private employers with 50 or more employees	Paid Leave for Any Reason: Private sector employees of businesses with 50 or more employees; excludes temporary, seasonal or on- call employees.	Paid Leave for Any Reason: An employee is entitled to at least 0.01923 hours of paid leave for each hour of work performed. An employer may limit the amount of paid leave an employee uses to 40 hours per benefit year. An employer may set a minimum increment of paid leave, not to exceed 4 hours, that an employee may use at any one time.
Oregon	Sick Leave: Oregon Sick Leave Law; January 1, 2017  Parental & Family Leave: Oregon Family	Sick Leave: Oregon employers with at least 10 employees (or at least 6 employees, for businesses located in Portland).  Parental & Family Leave: All Oregon	Sick Leave: Workers employed in Oregon are covered. Independent contractors, certain work study students, certain railroad workers, and individuals employed by their parent, spouse, or child are exempted.	Sick Leave: One (1) hour for every 30 hours worked or 1 and 1/3 hours for every 40 hours worked (for both paid and unpaid sick time). Workers in businesses with at least 10 workers (or at least 6 workers, for businesses located in Portland) can earn up to 40 hours

	Governing	Coverage	& Eligibility	
Jurisdiction	Authority and Effective Date	Covered Employer	Covered Employee	Calculation of Leave Provided
	Leave Act; January 1, 2017	employers are covered. Self-employed individuals and independent contractors can opt in.	Parental & Family Leave: Almost all employees are covered.	of paid sick time per year. Workers in businesses with fewer than 10 workers (or fewer than 6 workers for businesses located in Portland) can earn up to 40 hours of unpaid, job- protected sick time per year.
				Parental & Family Leave— Own health: up to 12 weeks in any benefit year. Family/parental leave: up to 12 weeks in any benefit year. Safe leave: up to 12 weeks in any benefit year. Total: up to 12 weeks in any benefit year.
Rhode Island	Sick Leave: The Health and Safe Families and Workplace Act; September 19, 2017  Parental & Family Leave: Parental and Family Medical Leave Act; January 1, 2014	Sick Leave: Rhode Island employers with 18 or more employees.  Parental & Family Leave: All private sector employers are covered. Only some public employees are covered	Sick Leave: Workers employed in Rhode Island are covered. Independent contractors, subcontractors, work study participants, apprenticeships and interns; certain employees licensed to practice nursing, and state and municipal workers are exempted. Workers exempt from the state minimum wage law are also exempt from the paid sick time law.  Parental & Family Leave: Employees covered by the state unemployment insurance law, except for public employees, are covered.	Sick Leave: One (1) hour for every 35 hours worked (for both paid and unpaid sick time). As of 2019, workers in businesses with 18 or more workers can earn up to 32 hours of paid sick time; workers in businesses with fewer than 18 workers can earn up to 32 hours of unpaid, jobprotected sick time. Each year after 2019, workers in businesses with 18 or more workers can earn up to 40 hours of paid sick time; workers in businesses with fewer than 18 workers can earn up to 40 hours of unpaid, jobprotected sick time.  Parental & Family Leave— Own health: 30 weeks for own disability. Family/parental Leave: Four weeks. No more than 30 weeks total/year for combined own disability and family care.
Vermont	Sick Leave: Vermont Earned Sick Time Law; January 1, 2017	Sick Leave: All Vermont employers.	Sick Leave: Workers employed by an employer in Vermont for an average of no less than 18 hours per week during a year are covered. The following	Sick Leave: One (1) hour for every 52 hours worked with a maximum of 40 hours per year.

	Governing	Coverage & Eligibility		
Jurisdiction	Authority and Effective Date	Covered Employer	Covered Employee	Calculation of Leave Provided
			individuals are exempted: workers under 18 years of age; workers employed for 20 or fewer weeks in a year in a job scheduled to last 20 or fewer weeks; certain State workers excluded from the State classified service; certain employees who work on a per diem or intermittent basis at a health care or long-term care facility; certain per diem or intermittent workers who only work when indicating availability, have no obligation to accept the work, and have no expectation of continued employment; certain substitute educators for a school district or supervisory district/union if under no obligation to work a regular schedule or period of long-term (30 or more consecutive school days) substitute coverage; and certain sole proprietors/partner owners of an unincorporated business.	
Washington	Sick Leave: Initiative 1433 Washington State Sick Leave Law 2019; January 1, 2018  Parental & Family Leave: Paid Family Medical Leave (PFML) program; January 1, 2018	Sick Leave: All Washington employers.  Parental & Family Leave: All employers are covered.	Sick Leave: Workers employed by an employer in Washington are covered. Workers exempt from the state minimum wage law are also exempt from the paid sick time law.  Parental & Family Leave: All employees are covered.	Sick Leave: One (1) hour for every 40 hours worked. No explicit cap on how much sick time can be earned or used in a year. However, employers are not required to allow a worker to carry over more than 40 hours of unused paid sick time a year.  Parental & Family Leave— Own health: up to 12 weeks in a 52- week period. Family/parental leave: up to 12 weeks in a 52-

	Governing	Coverage	& Eligibility	
Jurisdiction	Authority and Effective Date	Covered Employer	Covered Employee	Calculation of Leave Provided
				week period. Total: up to 16 weeks in a 52-week period.
Washington, D.C.	Sick Leave: Earned Sick and Safe Leave Amendment Act; February 22, 2014  Parental & Family Leave: District of Columbia's Universal Paid Leave Amendment Act; April 7, 2017	Sick Leave: All Washington, D.C. employers  Parental & Family Leave: All private sector employers are covered	Sick Leave: Workers employed by an employer within Washington, D.C are covered. The following individuals are exempted: independent contractors; students; health care workers choosing to participate in a premium pay program; unpaid volunteers engaged in the activities of an educational, charitable, religious, or nonprofit organization; and casual babysitters.  Parental & Family Leave: Most private sector employees are covered.	Sick Leave: In businesses with 24 or fewer workers: 1 hour for every 87 hours worked. In businesses with 25-99 workers (and workers in a restaurant or bar with 1-99 workers who regularly receive tips to supplement a base wage below the minimum wage): 1 hour for every 43 hours worked. In businesses with 100 or more workers: 1 hour for every 37 hours worked. Workers in businesses with 24 or fewer workers can earn up to 24 hours of paid sick time per year. Workers in businesses with 25-99 workers (and workers in a restaurant or bar with 1-99 workers who regularly receive tips to supplement a base wage below the minimum wage) can earn up to 40 hours of paid sick time per year. Workers in businesses with 100 or more workers can earn up to 56 hours of paid sick time per year.  Parental & Family Leave—Own health: Up to 2 weeks in a 52-week period. Bonding with a new child: Up to 8 weeks in a 52-week period.  Total: Up to 8 weeks in a 52-week period.  Total: Up to 8 weeks in a 52-week period.
Chicago, IL	Sick Leave: City of Chicago Minimum Wage and Paid Sick Leave Ordinance; July 1, 2017	Sick Leave: All Chicago Employers	Sick Leave: Employees who work at least two hours for an employer in any two-week period within the geographic boundaries of the city of Chicago. Any covered	Sick Leave: One (1) hour for every 40 hours worked. Up to 40 hours per 12-month period

	Governing	Coverage & Eligibility		
Jurisdiction	Authority and Effective Date	Covered Employer	Covered Employee	Calculation of Leave Provided
			employee who works at least 80 hours for an employer within any 120-day period is eligible for accrued paid sick leave.	
Minneapolis, MN	Sick Leave: Sick and Safe Time Ordinance; July 1, 2017	Sick Leave: Minneapolis employers with six (6) or more employees.	Sick Leave: Workers who perform work for an employer within Minneapolis for at least 80 hours in a year. Independent contractors are exempted.	Sick Leave: One (1) hour for every 30 hours worked. Up to 48 hours of paid sick time per year. Maximum accrual cap of 80 hours.
Philadelphia, PA	Sick Leave: Promoting Healthy Families and Workplaces; May 13, 2015	Sick Leave: Philadelphia employers with 10 or more employees.	Sick Leave: Workers employed in Philadelphia for at least 40 hours in a calendar year are covered. Independent contractors, seasonal workers (hired for a temporary period of not more than 16 weeks a year), adjunct professors, interns (students working for the institution where enrolled), workers hired for a term of less than 6 months, pool employees and state and federal employees are exempted.	Sick Leave: One (1) hour of paid sick time for every 40 hours worked in Philadelphia. Up to 40 hours of paid sick time in a calendar year.
New York, NY	Sick Leave: Earned Sick and Safe Time Act; April 1, 2014	Sick Leave: NYC Employers with 5 or more employees. All workers in certain chain businesses or franchises will be counted together to determine size.	Sick Leave: Workers in businesses with 5 or more workers who have worked within NYC for more than 8- hours in a calendar year. Work study students, certain hourly speech/physical/occupational therapists, independent contractors and government employees are exempted.	Sick Leave: One (1) hour for every 30 hours worked. Workers in businesses with 5 or more workers: up to 40 hours a year. Workers in businesses with fewer than 5 workers up to 40 hours of unpaid, job-protected sick time per year.
San Francisco, CA	Sick Leave: Paid Sick Leave Ordinance; February 5, 2007	Sick Leave: All San Francisco employers.  Parental & Family Leave: Employers with	Sick Leave: Workers employed within the geographic boundaries of San Francisco are covered.	Sick Leave: One (1) hour for every 30 hours worked. Workers in businesses with 10 or more workers can earn up to 72 hours of paid sick time. Workers in

	Governing	Coverage	& Eligibility	
Jurisdiction	Authority and Effective Date	Covered Employer	Covered Employee	Calculation of Leave Provided
	Parental & Family Leave: Paid Parental Leave Ordinance; January 1, 2017; Amendment effective July 1, 2020.	20 or more employees worldwide	Includes part-time and temporary employees.  Parental & Family Leave: Employee who began employment with the covered employer at least 180 days prior to the start of the leave period; who performs at least eight hours of work per week for the employer in San Francisco; at least 40% of whose total weekly hours worked for the employer are in San Francisco; and who is eligible to receive paid family leave compensation under the California Paid Family Leave law for the purpose of bonding with a new child.	businesses with fewer than 10 workers can earn up to 40 hours of paid sick time. The cap is not on an annual basis. Once a worker reaches the accrual cap and uses paid sick time, the worker once again begins to earn paid sick time back up to this same cap.  Parental & Family Leave: Paid Parental Leave compensation will extend from 6 to 8 weeks on July 1, 2020. During the leave period, employers are required to provide supplemental compensation in an amount such that the California Paid Family Leave wage replacement plus the supplemental compensation equals 100% of the employee's gross weekly wage, subject to a cap. The 2020 Paid Parental Leave Ordinance Cap is \$2,167 per week.

 $\begin{tabular}{ll} Exhibit II-Mapping of the Service Type Under the Proposed Ordinance to the Occupational Group under the U.S. Department of Labor \\ \end{tabular}$ 

Service Type Under the Proposed Ordinance	Occupational Group Under on U.S. Department of Labor
Routine or recurring maintenance services, such as custodial, cleaning, refuse removal, repair, refinishing, and recycling	Installation, maintenance, and repair
Clerical or other non-supervisory office work, whether temporary or permanent	Office and Administrative Support
Printing and reproduction services	Production
Food preparation, distribution or both	Service
Landscaping, lawn, or agricultural services	Service
Security services	Service
Transportation and parking services including, but not limited to, airport and seaport services	Transportation and material moving