



SAN
FRANCISCO
CHAMBER OF
COMMERCE

March 22, 2016

The Honorable Mark Farrell
San Francisco Board of Supervisors
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102

RE: File No. 160065: Paid Parental Leave

Dear Supervisor Farrell:

The San Francisco Chamber of Commerce and other local organizations have met a number of times with Supervisor Wiener and his staff to discuss the proposed "Paid Parental Leave for Bonding with New Child" ordinance. We appreciate the opportunity we were given to better understand how this ordinance would impact employees and employers. While the substitute ordinance he introduced last week contained a number of amendments that will assist employers in complying with this new mandate, we urge the committee to make further amendments.

Specifically, we urge the committee to make the following amendments to this legislation:

- 1) SEC 3300H.3 "Covered Employer". On page 4, line 17 amend "20 or more employees" to "50 or more". While the 20 employee number has been the threshold in many of the employer mandate ordinances (except the Formula Retail Workers Bill of Rights ordinance), this is an artificial number that does not properly define "small business". The California definition of small business having 100 or fewer employees makes good sense, as would the use of the Federal standard of 50 employees from the Affordable Care Act. Either would exclude a number of micro businesses from the new mandate.
- 2) SEC 3300H8c "Civil Enforcement". This section should be amended to reflect civil enforcement language agreed upon in recent years by Supervisors, employee advocates and business organizations as enacted in the Fair Hire Ordinance, Family Friendly Workplace Ordinance and, most recently, the Formula Retail Employee Bill of Rights Ordinances. Civil enforcement should rest with the City Attorney's Office, allowing employers to rely on uniform enforcement by OLSE and the City Attorney.
- 3) SEC 3300H.14 "Expiration of Article". This section recognizes that changes in State law may provide employees with full salary when on Parental Leave, thus making a local mandate unnecessary. What this section doesn't contemplate, and should, is a change in Federal law that provides all or part of these additional benefits. And full exemption from Federal and State income taxes would result in less than 100% of salary being the equivalent of an employee's net take home pay. This article should expire when any combination of Federal and State benefits give a parent the equivalent of his or her net take-home pay, up to the State cap.

The San Francisco Chamber of Commerce, representing over 2,500 local businesses, urges the Budget and Finance Committee to include these amendments in the ordinance you refer to the full Board.

Sincerely,

Jim Lazarus
Senior Vice President of Public Policy

cc: Supervisor Kim, Supervisor Tang, Supervisor Wiener, Supervisor Yee