

File No. 201133

Committee Item No. 1

Board Item No. \_\_\_\_\_

# COMMITTEE/BOARD OF SUPERVISORS

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Committee: Budget & Finance Committee

Date October 28, 2020

Board of Supervisors Meeting

Date \_\_\_\_\_

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Completed by: Linda Wong Date October 23, 2020

Completed by: Linda Wong Date \_\_\_\_\_

1 [Administrative Code - Health Care Requirements for Certain Employers at San Francisco  
2 International Airport]

3 **Ordinance amending the Administrative Code to require employers of employees**  
4 **covered by the Quality Standards Program at the San Francisco International Airport to**  
5 **provide family health insurance to such employees, or to make contributions on the**  
6 **employees' behalf to an account established under Section 14.2 of the Administrative**  
7 **Code.**

8 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.  
9 **Additions to Codes** are in *single-underline italics Times New Roman font*.  
10 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.  
11 **Board amendment additions** are in double-underlined Arial font.  
12 **Board amendment deletions** are in ~~strikethrough Arial font~~.  
13 **Asterisks (\* \* \* \*)** indicate the omission of unchanged Code  
14 subsections or parts of tables.

15 Be it ordained by the People of the City and County of San Francisco:

16 Section 1. Title.

17 This ordinance shall be known as the "Healthy Airport Ordinance."

18 Section 2. Findings.

19 (a) The San Francisco International Airport ("Airport") is a worldwide transportation hub,  
20 connecting the San Francisco Bay Area directly to cities throughout the United States,  
21 Canada, Mexico, Central America, Asia, Australia, and Europe. An average of nearly 58  
22 million people normally travel through the Airport each year.

23 (b) On December 7, 1999, the San Francisco Airport Commission, by Resolution No.  
24 99-0446, adopted the Quality Standards Program (QSP) to enhance Airport safety and  
25 security. The Resolution required the implementation of minimum standards for hiring,

1 training, performance management, and compensation and benefits of employees covered by  
2 the QSP, as well as enhanced equipment safety and security standards. The Airport  
3 Commission incorporated the QSP into the Airport Rules and Regulations and required  
4 compliance as a condition of Airport use permits.

5 (c) The QSP's compensation and benefit standards aim to assist in the recruitment of  
6 high-quality employees and the reduction of employee turnover, and have been successful in  
7 doing so, which in turn has improved worker performance. After the QSP was implemented,  
8 turnover of covered employees fell by an average of 34% overall, with even larger decreases  
9 for employee groups that received higher than average increases in compensation.  
10 Employers reported that after the QSP was implemented they were able to increase their  
11 hiring standards, and that they experienced improved employee performance, reduced  
12 disciplinary actions, reduced absenteeism, and fewer employees who failed initial training.  
13 These results improved safety and security at the Airport. Although the primary goals of the  
14 program are safety and security, the QSP also improved Airport efficiency and customer  
15 service.

16 (d) Due to the success of the program, the Airport Commission has adopted several  
17 resolutions that expanded the QSP to include higher standards and new employee groups  
18 that directly impact Airport safety or security. Under Charter Section 4.104, each of these  
19 resolutions was adopted after notice and a public hearing to consider public comment.

20 (1) On January 18, 2000, by Resolution No. 00-0002, the Airport Commission  
21 expanded the QSP to cover employees of airlines and service providers who have access to  
22 the Airfield Operations Area or otherwise are directly involved in passenger and facility safety  
23 and security.

24 (2) After a comprehensive review of the QSP, on August 18, 2009, by  
25 Resolution No. 09-0199, the Airport Commission enhanced the QSP's employee

1 compensation requirements. The Resolution required employers to provide QSP-covered  
2 employees with individual health benefits that met the minimum standards of the Health Care  
3 Accountability Ordinance (HCAO), Administrative Code Chapter 12Q. The Resolution  
4 temporarily froze the QSP minimum wage rate at \$12.33 per hour until that rate was no more  
5 than \$0.50 per hour more than the wage rate required by the Minimum Compensation  
6 Ordinance (MCO), Administrative Code Chapter 12P. The HCAO and MCO, each enacted  
7 after the QSP was adopted, cover employees working under certain City contracts, leases,  
8 and other agreements.

9 (3) On October 13, 2015, by Resolution No. 15-0216, the Airport Commission  
10 included in the QSP employees located on or near Airport property who are directly involved  
11 in the preparation and/or transportation of food and beverage products delivered directly onto  
12 aircraft in the QSP. Additionally, to protect the QSP's pay standard, and the safety and  
13 security interests that this standard supports, this Resolution provided that employee wage  
14 requirements could not be waived in a collective bargaining agreement (CBA) unless the CBA  
15 clearly and unambiguously waived them and provided for wages that at least met the QSP  
16 standards. However, a CBA still may waive the QSP health benefit requirements.

17 (4) On January 19, 2016, by Resolution No. 16-0035, the Airport Commission  
18 adopted additional QSP Airport safety and employee health and safety standards, enhanced  
19 QSP employee training requirements, included Airport custodial workers in the QSP, and  
20 increased fines for non-compliance.

21 (e) The individual health benefits provided to QSP-covered employees are critical to  
22 the health, well-being, and financial security of those employees. These health benefits not  
23 only enhance QSP employee recruitment and retention and reduce employee absences;  
24 employee access to health care also reduces the spread of infectious disease. However,  
25 some QSP-covered employees do not receive health benefits because their CBA waives the

1 health benefit requirement. Also, escalating health care costs are undermining the  
2 effectiveness of these health benefits for QSP-covered employees, and of the QSP's  
3 compensation and benefit components more broadly. Many QSP-covered employees report  
4 that they cannot afford family health benefits. For example, employees of an airline catering  
5 company report being offered family health benefits with a \$700 monthly premium and a  
6 \$6,000 deductible. Such employees may face the choice between accessing health care or  
7 affording other necessary expenses like rent or mortgage payments, food, or childcare.

8 (f) The COVID-19 pandemic poses a new and unprecedented threat to the health of  
9 Airport employees and consequently to the City's ability to safely and effectively operate the  
10 Airport. As COVID-19 spread in Asia and Europe, the Trump Administration did not impose  
11 international travel limits until February 2, 2020, more than a month after the virus was first  
12 reported and after it had already been documented to have spread to more than 20 countries,  
13 including the United States. SFO workers likely had been exposed to COVID-19 before the  
14 novel coronavirus was detected in the United States.

15 (g) On March 16, 2020, to mitigate the spread of COVID-19, local health officers in  
16 seven Bay Area jurisdictions, including the City and San Mateo County, where the Airport is  
17 located, issued health orders directing individuals living in those jurisdictions to shelter in their  
18 places of residence and directing businesses, except essential businesses as defined in the  
19 order, to cease activities at facilities located within those jurisdictions. Although these health  
20 orders have been gradually modified to allow additional activities, they remain in place  
21 indefinitely, and a large number of Bay Area employees continue to work remotely. But many  
22 others in a variety of industries perform jobs that are considered essential but that cannot be  
23 performed remotely. Airport employees, an essential workforce due to their role in facilitating  
24 air travel, which is an essential business, must continue to perform their work duties in person,  
25

1 and thus face a risk of transmission of COVID-19 that is significantly higher than for those who  
2 are able to work safely at home.

3 (h) Employees working at the Airport who perform services that directly impact safety  
4 and/or security at the Airport are at considerable risk of contracting and spreading COVID-19  
5 due to the nature of their work duties. As examples:

6 (1) QSP-covered employees, including airline baggage handlers, wheelchair  
7 agents, security screeners, and lobby agents face a heightened risk of exposure as their job  
8 duties require frequent, close contact with passengers, often in areas where passengers are  
9 likely to congregate together. Inconsistent policies for enforcing compliance with face covering  
10 requirements increase the risk that employees face.

11 (2) Employees of airline catering companies often work in climate-controlled  
12 spaces with little ventilation, where they must breathe the same air recirculated throughout  
13 their shifts. These employees often work in crowded worksites where distancing is not  
14 possible—in industrial kitchens or on assembly lines where employees stand shoulder-to-  
15 shoulder as they prepare food, assemble food and beverage carts, and wash dishes. Others  
16 must board multiple airplanes every week to coordinate catering delivery, coming into close  
17 contact with airplane cabin crews in spaces where distancing is often impossible.

18 (3) Employees who disinfect and clean airplane cabins in between flights must  
19 come into contact with surfaces and areas used by large groups of air travelers, and in some  
20 instances have been asked to clean airplane cabins while passengers are still present.

21 (i) As of September 29, 2020, at least 131 employees who work at the Airport have  
22 tested positive for COVID-19. This figure likely significantly underestimates the true number of  
23 COVID-19 cases among employees who work at the Airport, because many employees lack  
24 access to testing.

1 (j) Many Airport workers are people of color, who may be especially vulnerable to  
2 contracting COVID-19 and to suffering greater health consequences from the virus. According  
3 to the Centers for Disease Control (CDC), there is increasing evidence that some racial and  
4 ethnic minority groups are disproportionately impacted by COVID-19. The CDC has identified  
5 occupation; healthcare access and utilization; discrimination; educational, wealth and income  
6 gaps; and substandard housing as the contributing factors that may increase the risk that  
7 people from certain racial and ethnic minorities contract, face serious illness, or die from  
8 COVID-19.

9 (k) Access to affordable family health benefits is central to achieving the goals of the  
10 QSP. Protecting the health of employees and their families is important to the City's  
11 proprietary interests as owner and operator of the Airport, including its interest in attracting  
12 and retaining high-quality employees whose work impacts safety and security, protecting the  
13 community and the traveling public from the spread of COVID-19, and restoring public  
14 confidence in the safety of air travel.

15 (l) Moreover, recent history shows that these interests are not likely to be limited to the  
16 duration of the COVID-19 pandemic. Air travel played a central role in the spread of severe  
17 acute respiratory syndrome (SARS) in 2002 and Middle East Respiratory System (MERS) in  
18 2014, as well as influenza pandemics in 1957, 1968, and 2009. It is therefore in both the  
19 short-term interest and the long-term interest of the Airport and the City to adopt the changes  
20 to the HCAO set forth in this ordinance.

21  
22 Section 3. Chapter 12Q of the Administrative Code is hereby amended by revising  
23 Sections 12Q.2, 12Q.2.7, 12Q.2.9, 12Q.3, 12Q.5, 12Q.5.2, and 12Q.8; renumbering existing  
24 Section 12Q.2.16 as Section 12Q.2.22 and revising said Section; and adding new Section  
25 12Q.2.16, to read as follows:

1           **SEC. 12Q.2. DEFINITIONS.**

2           As used in this Chapter 12Q, the following capitalized terms shall have the meanings  
3 set forth in ~~the following provisions~~ Sections 12Q.2.1 through 12Q.2.22.

4  
5           **SEC. 12Q.2.7. CONTRACTING PARTIES.**

6           “Contracting Parties” shall mean Contractors, Subcontractors, Tenants, ~~and~~  
7 Subtenants, and employers of San Francisco Airport Service Employees.

8  
9           **SEC. 12Q.2.9. COVERED EMPLOYEE.**

10          (a) “Covered Employee” shall mean:

11                 (1) An Employee of a Contractor or Subcontractor who works on a City Contract  
12 or Subcontract for 20 hours or more per Week:

13                         ~~————— (A) Within the geographic boundaries of the City; or~~

14                         ~~————— (B) On real property owned or controlled by the City, but outside the geographic~~  
15 ~~boundaries of the City; or~~

16                         ~~————— (C) Elsewhere in the United States; and~~

17                 (2) An Employee of a Tenant or Subtenant who works 20 hours or more per  
18 Week on property that is covered by a Lease or Sublease; and

19                 (3) An Employee of a Contractor or Subcontractor that has a Contract or  
20 Subcontract to perform services on property covered by a Lease or Sublease if the Employee  
21 works 20 hours or more per Week on the property; and

22                         (4) A San Francisco Airport Service Employee who works any number of hours during  
23 any Week in such capacity.

24                 **(b4)** A Contractor or Subcontractor may not divide an employee's time between  
25 working on a City contract and working on other duties with the intent of reducing the number



1 of Covered Employees working on the Contract to evade compliance with this Chapter 12Q.  
2 Such action shall constitute a violation of this Chapter.

3 (c) Notwithstanding the foregoing, the term "Covered Employee" does not include the  
4 following:

5 \* \* \* \*

6  
7 **SEC. 12Q.2.16. SAN FRANCISCO AIRPORT SERVICE EMPLOYEES.**

8 "San Francisco Airport Service Employees" shall mean Employees who are covered employees  
9 under the Quality Standards Program adopted by the San Francisco Airport Commission, as may be  
10 amended from time to time.

11 ~~**WEEK.**~~

12 ~~*"Week" shall mean a consecutive seven-day period. If the Contracting Party's regular pay*~~  
13 ~~*period is other than a seven-day period, the number of hours worked by an employee during a seven-*~~  
14 ~~*day Week for purposes of this Chapter; shall be calculated by adjusting the number of hours actually*~~  
15 ~~*worked during the Contracting Party's regular pay period to determine the average over a seven-day*~~  
16 ~~*Week. However, such period of averaging shall not exceed a duration of one month.*~~

17  
18 **SEC. 12Q.2.22. WEEK.**

19 "Week" shall mean a consecutive seven-day period. If the Contracting Party's regular pay  
20 period is other than a seven-day period, the number of hours worked by an employee during a seven-  
21 day Week for purposes of this Chapter 12Q shall be calculated by adjusting the number of hours  
22 actually worked during the Contracting Party's regular pay period to determine the average over a  
23 seven-day Week. However, such period of averaging shall not exceed a duration of one month.

1           **SEC. 12Q.3. HEALTH CARE ACCOUNTABILITY COMPONENTS.**

2           (a) Except as provided in subsection (d), wWith respect to each Covered Employee who  
3 either resides in San Francisco (regardless of where the Covered Employee provides  
4 services) or provides services covered by this Chapter 12Q in San Francisco, each  
5 Contracting Party shall do one of the following, at the Contracting Party's option:

6           \* \* \* \*

7           (b) Except as provided in subsection (d), wWith respect to each Covered Employee who  
8 does not reside in San Francisco, but who provides services covered by this Chapter 12Q at  
9 the San Francisco Airport or at the San Bruno Jail, each Contracting Party shall do one of the  
10 options set forth in §subsection (a), at the Contracting Party's option.

11           \* \* \* \*

12           (d) With respect to each Covered Employee who is a San Francisco Airport Service Employee,  
13 each Contracting Party shall do one of the following, at the Contracting Party's option:

14                   (1) Offer health plan benefits to the Covered Employee and the Covered Employee's  
15 dependents, with all the following features:

16                           (A) The health benefits shall be offered at no cost to the Covered Employee.

17                           (B) The health benefits offered shall include at least one plan that provides a  
18 level of coverage that is designed to provide benefits that are actuarially equivalent to at least 90% of  
19 the full actuarial value of the benefits provided under the plan and to provide coverage for all services  
20 described in the California Essential Health Benefit Benchmark Plan. A Contracting Party may offer  
21 additional health benefit plans, provided that each such health benefit plan offered shall provide a level  
22 of coverage that is designed to provide benefits that are actuarially equivalent to at least 80% of the  
23 full actuarial value of the benefits provided under the plan and to provide coverage for all services as  
24 described in the California Essential Health Benefit Benchmark Plan.

1                    (C) The maximum period for each Covered Employee's health benefits to become  
2 effective shall be no later than the first day of the first month after 30 days from the start of employment  
3 as a San Francisco Airport Service Employee; provided, however, that if a Contracting Party elects to  
4 make monthly contributions for a Covered Employee pursuant to subsection (d)(2), health benefits shall  
5 become effective no later than the first day after the Contracting Party ceases making such  
6 contributions.

7                    (2) For each Week in which the Covered Employee works any hours as a San Francisco  
8 Airport Service Employee, make contributions for that Employee as specified below into an account  
9 established under Section 14.2 of the Administrative Code, as may be amended from time to time.

10                    (A) Contributions made pursuant to this subsection (d)(2) shall be \$9.50 per  
11 hour, but not to exceed \$380 in any Week, as of the operative date of the ordinance in Board File No.  
12 201133 \_\_\_\_\_, establishing this subsection.

13                    (B) Beginning with fiscal year 2022-2023, and for each following fiscal year, the  
14 Director of Health shall propose adjustments to the hourly rate and weekly maximum fee provided in  
15 this subsection (d)(2), based on changes since the prior year in the Bureau of Labor Statistics  
16 Consumer Price Index for Medical Care in the San Francisco Bay Area or in average Health  
17 Maintenance Organization premiums in California. The Health Director shall submit the proposed  
18 adjustments, together with proposed adjustments under Section 12Q.3(a)(2), to the Controller by  
19 March 1. The Controller shall make appropriate adjustments to the hourly rate and weekly maximum  
20 fee without further action by the Board of Supervisors. The adjusted hourly rate and weekly maximum  
21 fee shall take effect on July 1.

22                    (~~e~~) A Covered Employee may voluntarily waive an offer of health plan benefits under  
23 this Section 12Q.3 using a waiver form approved by the Agency upon providing the  
24 Contracting Party proof of current health plan coverage. With respect to subsection (d) of this  
25 Section 12Q.3, such proof of current health plan coverage must include the Covered

1 Employee's dependents. The Contracting Party must retain voluntary waiver forms and proof  
2 of health plan coverage for three years and must provide the Agency access to them upon  
3 request.

4 (f) When preparing proposed budgets and requests for supplemental appropriations for  
5 contract services, City departments that regularly enter into agreements for the provision of  
6 services by nonprofit corporations shall transmit with their proposal a written confirmation that  
7 the department has considered in its calculation the costs that the nonprofit corporations  
8 calculate that they will incur in complying with the Health Care Accountability Ordinance.

9 (gfe) Notwithstanding the above, if, at the time a Contract, Subcontract, Lease, or  
10 Sublease is executed, the Contracting Party has 20 or fewer employees (or, in the case of a  
11 Nonprofit Corporation, 50 or fewer employees), including any employees the Contracting  
12 Party plans to hire to implement the Contract, Subcontract, Lease, or Sublease, the  
13 Contracting Party shall not be obligated to provide the Health Care Accountability  
14 Components set forth in this Section 12Q.3(a), (b), or (c) to its Covered Employees. In  
15 determining the number of employees had by a Contracting Party, all employees of all entities  
16 that own or control the Contracting Party and that the Contracting Party owns or controls, shall  
17 be included.

18  
19 **SEC. 12Q.5. ADMINISTRATION AND ENFORCEMENT.**

20 \* \* \* \*

21 (f) In addition to any other rights or remedies available to the City under the terms of  
22 any agreement of a Contracting Party or under applicable law, the City shall have the  
23 following rights:

24 (1) The right, at the discretion of the Agency, to charge the Contracting Party for  
25 any amounts that the Contracting Party should have paid to the City for hours worked by

1 Covered Employees pursuant to Section 12Q.3(a)(2), ~~and (b)~~, or (d), or to Covered Employees  
2 pursuant to Section 12Q.3(c)(2), together with simple annual interest of 10% on such amount  
3 from the date payment was due;

4 \* \* \* \*

5  
6 **SEC. 12Q.5.2. INVESTIGATION AND DETERMINATION OF VIOLATIONS.**

7 \* \* \* \*

8 **(e) Withholding of Payments by Controller.**

9 (1) When the Agency sends notice to a Contracting Party of its final  
10 determination that the Contracting Party has violated the requirements of this Chapter 12Q  
11 and of the Contracting Party's right of appeal to the Controller, the Agency may direct the  
12 Contracting Department and the Controller to deduct from the payments otherwise due to the  
13 Contracting Party the amounts that the Agency has determined the Contracting Party must  
14 pay to the City under Section 12Q.3(a)(2), (b), or (d) and as liquidated damages. The  
15 Controller, in issuing any warrant for any such payment, shall deduct the amounts specified by  
16 the Agency.

17 (2) The Controller shall withhold these funds until (A) the hearing officer issues a  
18 decision finding that the Contracting Party does not owe all or a portion of the amount  
19 withheld, in which case the Controller shall release funds to the Contracting Party consistent  
20 with the hearing officer's decision or (B) the Contracting Party consents to the use of the funds  
21 to pay the City the amounts that the Agency or hearing officer found due. As to any funds  
22 being withheld for which neither (A) nor (B) applies, the Controller shall retain the funds until  
23 the hearing officer's decision is no longer subject to judicial review, at which time the  
24 Controller shall distribute amounts owed under Section 12Q.3(a)(2), (b), or (d) in the  
25 appropriate account for the use of the Department of Public Health and amounts due as

1 liquidated damages in the General Fund, provided that this action is consistent with any final  
2 determination of a court of competent jurisdiction. Notwithstanding the provisions of this  
3 subsection, the Agency may authorize the release of payments withheld from the Contracting  
4 Party under this Section if the Agency determines that the continued withholding of funds  
5 imposes a substantial risk of endangering public health or safety, interfering with a service or  
6 project that is essential to the City, or having an unreasonable adverse financial impact on the  
7 City.

8  
9 **SEC. 12Q.8. WAIVER THROUGH COLLECTIVE BARGAINING.**

10 *Except for the requirements provided in subsection 12Q.3(d), a*All or any portion of the  
11 applicable requirements of this Chapter 12Q may be waived in a bona fide collective  
12 bargaining agreement, provided that such waiver is explicitly set forth in such agreement in  
13 clear and unambiguous terms.

14  
15 Section 4. Effective and Operative Dates.

16 (a) This ordinance shall become effective 30 days after enactment. Enactment occurs  
17 when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or does not  
18 sign the ordinance within ten days of receiving it, or the Board of Supervisors overrides the  
19 Mayor’s veto of the ordinance.

20 (b) This ordinance shall become operative 90 days after its effective date.

21  
22 Section 5. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors  
23 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,  
24 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal  
25 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment

1 additions, and Board amendment deletions in accordance with the “Note” that appears under  
2 the official title of the ordinance.

3

4 APPROVED AS TO FORM:  
5 DENNIS J. HERRERA, City Attorney

6 By: /s/ Lisa Powell  
7 LISA POWELL  
8 Deputy City Attorney

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**LEGISLATIVE DIGEST**

[Administrative Code - Health Care Requirements for Certain Employers at San Francisco International Airport]

**Ordinance amending the Administrative Code to require employers of employees covered by the Quality Standards Program at the San Francisco International Airport to provide family health insurance to such employees, or to make contributions on the employees' behalf to an account established under Section 14.2 of the Administrative Code.**

Existing Law

The Health Care Accountability Ordinance (HCAO) requires employers to offer individual health plan benefits to their covered employees or to make payments to the Department of Public Health (DPH) (or, under limited circumstances not relevant here, to make payments directly to their covered employees). See Admin. Code § 12Q.3. The HCAO applies to most City contractors and tenants, including those at San Francisco International Airport ("Airport"), but not Airport permittees.

Separately, the Airport's Quality Standards Program (QSP), established by the Airport Commission, sets minimum training, equipment, safety, hiring, compensation, and benefit standards for employees who directly impact Airport safety and security. The QSP includes certain SFO permittees that are not covered by the HCAO, such as employers of wheelchair attendants and baggage handlers. Conversely, some HCAO-covered employees at SFO, such as those with concession leases, are not included in the QSP. Employers must provide QSP-covered employees with individual health benefits that comply with the HCAO's "minimum health coverage standards," even if those employees are not covered employees under the HCAO. A collective bargaining agreement (CBA) may waive the health benefit requirements under both the HCAO and the QSP.

Amendments to Current Law

The proposed ordinance would amend the HCAO to require expanded health benefits for "San Francisco Airport Service Employees," which the ordinance defines as employees covered by the QSP. Employers of San Francisco Airport Service Employees would be required to either (1) provide family, rather than individual, health insurance; or (2) pay contributions on behalf of each employee, starting at \$9.50 per hour, to the City Option Program established under the Health Care Security Ordinance (HCSO), Admin. Code Chapter 14, rather than \$5.60 per hour to the City for DPH under the current HCAO. These requirements must be satisfied for each San Francisco Airport Service Employee, with no minimum-hours requirement, whereas under the HCAO employees must work an average of 20 hours per week on the covered agreement to be covered employees. The ordinance does not permit this health benefit requirement to be waived by a CBA.



Background Information

The individual health benefits provided to QSP-covered employees have enhanced QSP employers' recruitment and retention of employees and have reduced employee absences. However, some QSP-covered employees are not provided individual health insurance because their CBA waives the health benefits requirement, and many QSP-covered employees report that family health insurance is unaffordable.

Employees working at the Airport who perform services that directly impact safety and/or security at the Airport are at elevated risk of contracting and spreading COVID-19 due to the nature of their work duties, which often require them to work in frequent, close contact with passengers and coworkers.

This ordinance seeks to expand QSP-covered employees' access to family health insurance benefits in order to protect those employees and their families, protect the community and the traveling public from the spread of COVID-19, and restore public confidence in the safety of air travel.

A Committee Amendment clarified the circumstances in which an employee may voluntarily waive an offer of health insurance under the HCAO. Such voluntary waiver requires the employee to provide proof of health insurance benefits, which for San Francisco Airport Service Employees must include proof that the employee's dependents have health insurance. Employers must use an OLSE-approved form for voluntary waivers, must retain the waiver forms and proof of insurance coverage for three years, and must provide them to OLSE upon request.

<p><b>Item 1</b>  <b>File 20-1133</b>  <i>Continued from October 21, 2020</i></p>	<p><b>Department:</b>                  San Francisco International Airport (Airport)</p>
<p><b>EXECUTIVE SUMMARY</b></p>	
<p style="text-align: center;"><b>Legislative Objectives</b></p> <ul style="list-style-type: none"> <li>• The proposed ordinance would amend the Administrative Code to require employees covered by the Quality Standards Program (QSP) at the San Francisco International Airport (Airport) to provide family health insurance to such employees, or to make contributions on the employees’ behalf to an account established under the Health Care Security Ordinance (Section 14.2 of the Administrative Code).</li> </ul> <p style="text-align: center;"><b>Key Points</b></p> <ul style="list-style-type: none"> <li>• The Health Care Accountability Ordinance (HCAO) requires employers to offer individual health plan benefits to their covered employees or to make payments to the Department of Public Health (DPH). The HCAO applies to most City contractors and tenants, including those at the Airport. The Health Care Security Ordinance established the Health Access Program, providing for Healthy San Francisco and Medical Reimbursement Accounts</li> <li>• The QSP sets hiring, training, performance management, and compensation standards for airlines, service providers, and catering companies doing business at the Airport. The proposed ordinance would apply to all QSP covered employees, regardless of number of hours worked.</li> <li>• Under the proposed ordinance, QSP employers may offer qualifying health plans covering employees and dependents at no cost to the employee (Option 1) or make a payment of \$9.50 per hour in accordance with the Health Care Security Ordinance (Option 2).</li> </ul> <p style="text-align: center;"><b>Fiscal Impact</b></p> <ul style="list-style-type: none"> <li>• The proposed ordinance would result in cost increases to the Airport for two Airport security contracts. According to information provided by the Airport, the costs of offering qualifying health plans covering employees and dependents (Option 1) would result in estimated additional costs to the Airport each year ranging from \$805,733 to \$1,409,654, depending on the health plan. The costs of the \$9.50 per hour contribution in accordance with the Health Care Security Ordinance (Option 2) would result in estimated additional costs to the Airport each year of \$1,377,534.</li> <li>• According to information provided by the Airport, the costs of offering qualifying health plans covering employees and dependents (Option 1) would result in estimated additional costs each year to the airlines, service providers, and catering companies ranging from approximately \$8.4 million to \$24 million, depending on the health plan. The costs of the \$9.50 per hour contribution in accordance with the Health Care Security Ordinance (Option 2) would result in estimated additional costs each year to the airlines, service providers, and catering companies of approximately \$33 million. While these costs are not directly passed onto the Airport, they increase the cost of doing business for Airport tenants.</li> </ul> <p style="text-align: center;"><b>Recommendation</b></p> <ul style="list-style-type: none"> <li>• Approval of the proposed ordinance is a policy matter for the Board of Supervisors.</li> </ul>	

**MANDATE STATEMENT**

According to City Charter Section 2.105, all legislative acts shall be by ordinance and require the affirmative vote of at least a majority of the members of the Board of Supervisors.

**BACKGROUND**

The Health Care Accountability Ordinance (HCAO), Chapter 12Q of the Administrative Code, requires employers to offer individual health plan benefits to their covered employees or to make payments to the Department of Public Health (DPH). The HCAO applies to most City contractors and tenants, including those at San Francisco International Airport (Airport), but not Airport permittees.

In December 1999, Airport Commission adopted the Quality Standards Program (QSP) to enhance safety and security. The QSP required the implementation of minimum standards for hiring, training, performance management, and compensation and benefits of employees covered by the QSP, as well as enhanced equipment safety and security standards for airlines and service providers whose employees perform services impacting safety and security at SFO.

According to Airport management, the QSP has been successful in recruiting high-quality employees and reducing turnover. Employers have reported that after the QSP was established, they have experienced improved employee performance, reduced disciplinary actions, reduced absenteeism, and fewer employees failing initial training. While the primary goals of the program are the safety and security of airport operations, the QSP has also improved Airport efficiency and customer service.

The Airport Commission has adopted several resolutions expanding or amending the QSP, as shown in Table 1 below.

**Table I: Airport Commission Amendments to QSP**

Date	Amendment Description
January 2000	Expanded the QSP to cover employees of airlines and service providers who have access to the Airfield Operations Area or otherwise are directly involved in passenger and facility safety and security.
August 2009	Required employers to provide QSP-covered employees with individual health benefits that meet the minimum standards of the HCAO. Temporarily froze the QSP minimum wage rate at \$12.33 per hour until that rate was no more than \$0.50 per hour more than the wage rate required by the Minimum Compensation Ordinance (MCO).
October 2015	Expanded the QSP to cover employees located on or near Airport property who are directly involved in the preparation and/or transportation of food and beverage products delivered directly onto aircraft. Provided that employee wage requirements could not be waived in a collective bargaining agreement (CBA) unless the CBA clearly and unambiguously waived them and provided for wages that at least met the QSP standards. However, a CBA may still waive the QSP health benefit requirements.
January 2016	Adopted additional QSP Airport safety and employee health and safety standards, enhanced QSP training requirements, included Airport custodial workers in the QSP, and increased fines for non-compliance.

Airport management reports that some CBAs at the Airport waive the health benefit requirement, resulting in some QSP employees having only minimal health care coverage.

### DETAILS OF PROPOSED LEGISLATION

The proposed ordinance would amend the Administrative Code to require QSP employers at the Airport to provide family health insurance at no cost to employees, or to make contributions on the employees' behalf to an account established under Section 14.2 of the Administrative Code, the Health Care Security Ordinance (HCSO).<sup>1</sup> The contribution would be \$9.50 per hour for each employee, rather than \$5.60 per hour per employee under the HCAO. The payment amount would be adjusted annually based on the Consumer Price Index (CPI). The proposed ordinance would apply to all QSP covered employees, regardless of number of hours worked, while the HCAO only applies to employees working an average of at least 20 hours per week. Employees may opt out of this benefits program if they demonstrate proof of family health insurance coverage. The proposed ordinance specifies that its requirements cannot be waived by a collective bargaining agreement.

### FISCAL IMPACT

The proposed ordinance would result in direct cost increases to Airport service contracts, as well as potential indirect costs.

#### Direct Costs

According to Ms. Emylene Aspilla, Airport Director of Social Responsibility, the Airport currently has two contracts with service providers whose employee health costs are partially covered by the Airport, General Airport Security Services (GASS) and Hallmark Aviation Services (Hallmark). Under the GASS contract, the Airport pays a flat rate of \$624.19 per employee per month for health coverage. Under the Hallmark contract, the Airport pays 22.28 percent of the medical, dental, and life insurance costs for their employees.

QSP employers may offer qualifying health plans covering the employee and dependents at no cost to the employee (Option 1), or make a payment of \$9.50 per hour in accordance with the Health Care Security Ordinance (Option 2). According to information provided by the Airport, under the proposed legislation, the costs of offering qualifying health plans covering employees and dependents (Option 1) would result in estimated additional costs to the Airport each year ranging from \$805,733 to \$1,409,654, depending on the health plan.<sup>2</sup> Under the proposed

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<sup>1</sup> Administrative Code Section 14.2 established the Health Access Program, providing for Healthy San Francisco and Medical Reimbursement Accounts. Healthy San Francisco is a network of providers available to uninsured San Francisco residents, including Department of Public Health, non-profit, and private providers, and is funded by a variety of sources, including payments from employers on behalf of employees. Medical Reimbursement Accounts are a public health benefit administered by DPH, funded in whole or in part by contributions from covered employees to the City under Section 14.3, from which eligible employees may obtain reimbursement for health care services.

<sup>2</sup> The costs have been estimated using the 10-County Average for two popular qualifying health plans: The Kaiser Permanente HMO and the BlueShield Access+ HMO, based on the San Francisco Health Service System's presentation to the Board of Supervisors on June 17, 2020.

legislation, the costs of the \$9.50 per hour contribution in accordance with the Health Care Security Ordinance (Option 2) would result in estimated additional costs to the Airport each year of \$1,377,534.

### **Indirect Costs**

According to Ms. Aspillá, the proposed ordinance would increase costs for airlines, service providers, and catering companies that operate at the Airport. While these costs are not directly passed onto the Airport, they increase the cost of doing business for Airport tenants.

The Airport estimates that 4,260 employees would be eligible for family healthcare benefits under the proposed ordinance, based on a forecast of approximately 18.4 million passengers in FY 2020-21. According to information provided by the Airport, under the proposed legislation, the costs of offering qualifying health plans covering employees and dependents (Option 1) would result in estimated additional costs each year to the airlines, service providers, and catering companies ranging from approximately \$8.4 million to \$24 million, depending on the health plan. Under the proposed legislation, the costs of the \$9.50 per hour contribution in accordance with the Health Care Security Ordinance (Option 2) would result in estimated additional costs each year to the airlines, service providers, and catering companies of approximately \$33 million.<sup>3</sup>

If airlines choose to pass the additional costs onto passengers through ticket pricing, Ms. Aspillá estimates that the proposed ordinance may result in a ticket increase of \$1.83 per ticket, based on approximately 18.4 million passengers in FY 2020-21.

### **RECOMMENDATION**

Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

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<sup>3</sup> The estimate assumes that 75 percent of employees work 40 hours per week, or 160 hours per month, and 25 percent of employees work 20 hours per week, or 80 hours per month.

<p><b>Item 11</b> <b>File 20-1133</b></p>	<p><b>Department:</b> San Francisco International Airport (Airport)</p>
<p><b>EXECUTIVE SUMMARY</b></p>	
<p style="text-align: center;"><b>Legislative Objectives</b></p> <ul style="list-style-type: none"> <li>• The proposed ordinance would amend the Administrative Code to require employees covered by the Quality Standards Program (QSP) at the San Francisco International Airport (Airport) to provide family health insurance to such employees, or to make contributions on the employees’ behalf to an account established under the Health Care Security Ordinance (Section 14.2 of the Administrative Code).</li> </ul> <p style="text-align: center;"><b>Key Points</b></p> <ul style="list-style-type: none"> <li>• The Health Care Accountability Ordinance (HCAO) requires employers to offer individual health plan benefits to their covered employees or to make payments to the Department of Public Health (DPH). The HCAO applies to most City contractors and tenants, including those at the Airport. The Health Care Security Ordinance established the Health Access Program, providing for Healthy San Francisco and Medical Reimbursement Accounts</li> <li>• The QSP sets hiring, training, performance management, and compensation standards for airlines, service providers, and catering companies doing business at the Airport. The proposed ordinance would apply to all QSP covered employees, regardless of number of hours worked, while the HCAO only applies to employees working an average of at least 20 hours per week.</li> <li>• Under the proposed ordinance, QSP employers may offer qualifying health plans covering employees and dependents at no cost to the employee (Option 1) or make a payment of \$9.50 per hour in accordance with the Health Care Security Ordinance (Option 2).</li> </ul> <p style="text-align: center;"><b>Fiscal Impact</b></p> <ul style="list-style-type: none"> <li>• The proposed ordinance would result in cost increases to the Airport for two Airport security contracts. According to information provided by the Airport, the costs of offering qualifying health plans covering employees and dependents (Option 1) would result in estimated additional costs to the Airport each year ranging from \$805,733 to \$1,409,654, depending on the health plan. The costs of the \$9.50 per hour contribution in accordance with the Health Care Security Ordinance (Option 2) would result in estimated additional costs to the Airport each year of \$1,377,534.</li> <li>• According to information provided by the Airport, the costs of offering qualifying health plans covering employees and dependents (Option 1) would result in estimated additional costs each year to the airlines, service providers, and catering companies ranging from approximately \$8.4 million to \$24 million, depending on the health plan. The costs of the \$9.50 per hour contribution in accordance with the Health Care Security Ordinance (Option 2) would result in estimated additional costs each year to the airlines, service providers, and catering companies of approximately \$33 million. While these costs are not directly passed onto the Airport, they increase the cost of doing business for Airport tenants.</li> </ul> <p style="text-align: center;"><b>Recommendation</b></p> <ul style="list-style-type: none"> <li>• Approval of the proposed ordinance is a policy matter for the Board of Supervisors.</li> </ul>	

## MANDATE STATEMENT

According to City Charter Section 2.105, all legislative acts shall be by ordinance and require the affirmative vote of at least a majority of the members of the Board of Supervisors.

## BACKGROUND

The Health Care Accountability Ordinance (HCAO), Chapter 12Q of the Administrative Code, requires employers to offer individual health plan benefits to their covered employees or to make payments to the Department of Public Health (DPH). The HCAO applies to most City contractors and tenants, including those at San Francisco International Airport (Airport), but not Airport permittees.

In December 1999, Airport Commission adopted the Quality Standards Program (QSP) to enhance safety and security. The QSP required the implementation of minimum standards for hiring, training, performance management, and compensation and benefits of employees covered by the QSP, as well as enhanced equipment safety and security standards for airlines and service providers whose employees perform services impacting safety and security at SFO.

According to Airport management, the QSP has been successful in recruiting high-quality employees and reducing turnover. Employers have reported that after the QSP was established, they have experienced improved employee performance, reduced disciplinary actions, reduced absenteeism, and fewer employees failing initial training. While the primary goals of the program are the safety and security of airport operations, the QSP has also improved Airport efficiency and customer service.

The Airport Commission has adopted several resolutions expanding or amending the QSP, as shown in Table 1 below.

**Table 1: Airport Commission Amendments to QSP**

<b>Date</b>	<b>Amendment Description</b>
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October 2015	Expanded the QSP to cover employees located on or near Airport property who are directly involved in the preparation and/or transportation of food and beverage products delivered directly onto aircraft. Provided that employee wage requirements could not be waived in a collective bargaining agreement (CBA) unless the CBA clearly and unambiguously waived them and provided for wages that at least met the QSP standards. However, a CBA may still waive the QSP health benefit requirements.
January 2016	Adopted additional QSP Airport safety and employee health and safety standards, enhanced QSP training requirements, included Airport custodial workers in the QSP, and increased fines for non-compliance.

Airport management reports that some CBAs at the Airport waive the health benefit requirement, resulting in some QSP employees having only minimal health care coverage.

### DETAILS OF PROPOSED LEGISLATION

The proposed ordinance would amend the Administrative Code to require QSP employers at the Airport to provide family health insurance to employees, or to make contributions on the employees' behalf to an account established under Section 14.2 of the Administrative Code, the Health Care Security Ordinance (HCSO).<sup>1</sup> The contribution would be \$9.50 per hour for each employee, rather than \$5.60 per hour per employee under the HCAO. The payment amount would be adjusted annually based on the Consumer Price Index (CPI). The proposed ordinance would apply to all QSP covered employees, regardless of number of hours worked, while the HCAO only applies to employees working an average of at least 20 hours per week. The proposed ordinance specifies that its requirements cannot be waived by a collective bargaining agreement.

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QSP employers may offer qualifying health plans covering the employee and dependents at no cost to the employee (Option 1), or make a payment of \$9.50 per hour in accordance with the Health Care Security Ordinance (Option 2). According to information provided by the Airport, under the proposed legislation, the costs of offering qualifying health plans covering employees and dependents (Option 1) would result in estimated additional costs to the Airport each year ranging from \$805,733 to \$1,409,654, depending on the health plan.<sup>2</sup> Under the proposed legislation, the costs of the \$9.50 per hour contribution in accordance with the Health Care

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<sup>1</sup> Administrative Code Section 14.2 established the Health Access Program, providing for Healthy San Francisco and Medical Reimbursement Accounts. Healthy San Francisco is a network of providers available to uninsured San Francisco residents, including Department of Public Health, non-profit, and private providers, and is funded by a variety of sources, including payments from employers on behalf of employees. Medical Reimbursement Accounts are a public health benefit administered by DPH, funded in whole or in part by contributions from covered employees to the City under Section 14.3, from which eligible employees may obtain reimbursement for health care services.

<sup>2</sup> The costs have been estimated using the 10-County Average for two popular qualifying health plans: The Kaiser Permanente HMO and the BlueShield Access+ HMO, based on the San Francisco Health Service System's presentation to the Board of Supervisors on June 17, 2020.



Security Ordinance (Option 2) would result in estimated additional costs to the Airport each year of \$1,377,534.

### **Indirect Costs**

According to Ms. Aspillá, the proposed ordinance would increase costs for airlines, service providers, and catering companies that operate at the Airport. While these costs are not directly passed onto the Airport, they increase the cost of doing business for Airport tenants.

The Airport estimates that 4,260 employees would be eligible for family healthcare benefits under the proposed ordinance, based on a forecast of approximately 18.4 million passengers in FY 2020-21. According to information provided by the Airport, under the proposed legislation, the costs of offering qualifying health plans covering employees and dependents (Option 1) would result in estimated additional costs each year to the airlines, service providers, and catering companies ranging from approximately \$8.4 million to \$24 million, depending on the health plan. Under the proposed legislation, the costs of the \$9.50 per hour contribution in accordance with the Health Care Security Ordinance (Option 2) would result in estimated additional costs each year to the airlines, service providers, and catering companies of approximately \$33 million.<sup>3</sup>

If airlines choose to pass the additional costs onto passengers through ticket pricing, Ms. Aspillá estimates that the proposed ordinance may result in a ticket increase of \$1.83 per ticket, based on approximately 18.4 million passengers in FY 2020-21.

### **RECOMMENDATION**

Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

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<sup>3</sup> The estimate assumes that 75 percent of employees work 40 hours per week, or 160 hours per month, and 25 percent of employees work 20 hours per week, or 80 hours per month.



San Francisco International Airport

October 23, 2020

Budget and Finance Committee  
San Francisco Board of Supervisors  
City Hall  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco, CA 94102-4689

TRANSMITTED VIA EMAIL  
[Sandra.Fewer@sfgov.org](mailto:Sandra.Fewer@sfgov.org)  
[Shamann.Walton@sfgov.org](mailto:Shamann.Walton@sfgov.org)  
[Rafael.Mandelman@sfgov.org](mailto:Rafael.Mandelman@sfgov.org)

SUBJECT: File No. 201133, Administrative Code - Dependent Health Care Requirements for Certain Employers at San Francisco International Airport

Dear Chair Fewer, Vice Chair Walton, and Supervisor Mandelman:

I would like to take this opportunity to clarify some statements that were made at the October 21, 2020 Budget and Finance Committee hearing on the Healthy Airport Ordinance (File No. 201133).

All airlines and airline service providers are part of the San Francisco International Airport’s (SFO) Quality Standards Program (QSP), and all are required to provide the health care benefits as defined in the City’s Health Care Accountability Ordinance (HCAO). In some cases, such as with the catering service providers, we understand that the employers and the union have negotiated a waiver of the HCAO in their collective bargaining agreement. This waiver has apparently resulted in some QSP employees having health care coverage that may not meet the standards prescribed under the HCAO. The discussion of additional costs airlines may pass on to passengers as the result of the proposed legislation belies the greater financial impact of the ordinance – the increased cost of doing business at SFO. We estimate that implementing this proposal could double health care costs for airlines and their service providers. As you know, the pandemic has led to a substantial decline in passenger volumes. Fewer passengers means less non-airline revenue to SFO – from sources such as parking, concessions, and TNC trip fees – which results in a greater share of expenses the airlines must cover, based on SFO’s residual rate setting/“break-even” budgeting methodology. These increased costs, paired with reduced passenger demand and a doubling in health care costs at SFO, have the potential to slow SFO’s post-pandemic recovery relative to that of other airports.

Lastly, estimating the number of workers currently employed by the airlines and their service providers is challenging due to the dynamic nature of the pandemic. For the worker estimates we shared with the Budget and Legislative Analyst, we correlated projected passenger activity to the number of employees per category, based on our 2019 Economic Impact Report. Based on the 2019 Economic Impact Report, Airlines, Fixed Based Operators, General Aviation, and Service Providers employed 20,634 workers. Using these pre-pandemic worker numbers, the costs of offering qualifying family health plans under the proposed legislation (Option 1) would result in estimated additional annual costs ranging from approximately \$40.9 million to \$120 million, depending on the health plan. Under the proposed legislation, the costs of the \$9.50 per hour contribution (Option 2) would result in estimated additional annual costs of approximately \$163 million.

I hope this clarifies some of the context for the regional impacts that were referenced during the hearing. Please feel free to contact me if you need further background.

Very truly yours,

Ivar C. Satero  
Airport Director

cc: [Chelsea.Boilard@sfgov.org](mailto:Chelsea.Boilard@sfgov.org)  
[Tracy.Gallardo@sfgov.org](mailto:Tracy.Gallardo@sfgov.org)  
[Erin.Mundy@sfgov.org](mailto:Erin.Mundy@sfgov.org)  
[Linda.Wong@sfgov.org](mailto:Linda.Wong@sfgov.org)

AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO

LONDON N. BREED MAYOR    LARRY MAZZOLA PRESIDENT    ELEANOR JOHNS VICE PRESIDENT    RICHARD J. GUGGENHIME    EVERETT A. HEWLETT, JR.    MALCOLM YEUNG    IVAR C. SATERO AIRPORT DIRECTOR

BOARD of SUPERVISORS



City Hall  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco 94102-4689  
Tel. No. 554-5184  
Fax No. 554-5163  
TDD/TTY No. 554-5227

## MEMORANDUM

TO: Health Commission, Mark Morewitz, Commission Secretary  
Health Service System, Abbie Yant, Executive Director  
Ivar C. Satero, Airport Director

FROM: Victor Young, Assistant Clerk *Victor Young*

DATE: October 9, 2020

SUBJECT: LEGISLATION INTRODUCED

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The Board of Supervisors' Budget and Finance Committee received the following proposed legislation:

**File No. 201133**

**Ordinance amending the Administrative Code to require employers of employees covered by the Quality Standards Program at the San Francisco International Airport to provide family health insurance to such employees, or to make contributions on the employees' behalf to an account established under Section 14.2 of the Administrative Code.**

If you have comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102 or by email at: [linda.wong@sfgov.org](mailto:linda.wong@sfgov.org).

c: Cathy Widener, SF Airport  
Corina Monzon, Airport Commission [Corina.Monzon@flysfo.com](mailto:Corina.Monzon@flysfo.com)  
Linda Wong, Budget and Finance Committee

President, District 7  
BOARD of SUPERVISORS



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San Francisco, CA 94102-4689  
Tel. No. 554-6516  
Fax No. 554-7674  
TDD/TTY No. 544-6546

Norman Yee

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**PRESIDENTIAL ACTION**

Date:

To: Angela Calvillo, Clerk of the Board of Supervisors

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Madam Clerk,

Pursuant to Board Rules, I am hereby:

Waiving 30-Day Rule (Board Rule No. 3.23)

File No.

(Primary Sponsor)

Title.

Transferring (Board Rule No 3.3)

File No.

(Primary Sponsor)

Title.

From:

Committee

To:

Committee

Assigning Temporary Committee Appointment (Board Rule No. 3.1)

Supervisor:

Replacing Supervisor:

For:

Meeting

(Date)

(Committee)

Start Time:

End Time:

Temporary Assignment:

Partial

Full Meeting

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Norman Yee, President  
Board of Supervisors

# Introduction Form

By a Member of the Board of Supervisors or Mayor

Time stamp  
or meeting date

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee. (An Ordinance, Resolution, Motion or Charter Amendment).
- 2. Request for next printed agenda Without Reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning : "Supervisor  inquiries"
- 5. City Attorney Request.
- 6. Call File No.  from Committee.
- 7. Budget Analyst request (attached written motion).
- 8. Substitute Legislation File No.
- 9. Reactivate File No.
- 10. Topic submitted for Mayoral Appearance before the BOS on

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission
- Youth Commission
- Ethics Commission
- Planning Commission
- Building Inspection Commission

**Note: For the Imperative Agenda (a resolution not on the printed agenda), use the Imperative Form.**

Sponsor(s):

Subject:

The text is listed:

Signature of Sponsoring Supervisor:

For Clerk's Use Only

**From:** [Young, Victor \(BOS\)](#)  
**To:** [Wong, Linda \(BOS\)](#)  
**Subject:** FW: REFERRAL - BOS File No. 201133 Administrative Code - Health Care Requirements for Certain Employers at San Francisco International Airport  
**Date:** Friday, October 16, 2020 3:19:03 PM  
**Attachments:** [201133 FY1.pdf](#)  
[image001.png](#)

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Departmental response for 201133 scheduled next week.

**Victor Young**

Assistant Clerk

Board of Supervisors

phone 415-554-7723 | fax 415-554-5163

[victor.young@sfgov.org](mailto:victor.young@sfgov.org) | [www.sfbos.org](http://www.sfbos.org)

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**From:** Yant, Abbie (HSS) <[abbie.yant@sfgov.org](mailto:abbie.yant@sfgov.org)>  
**Sent:** Friday, October 16, 2020 12:45 PM  
**To:** Young, Victor (BOS) <[victor.young@sfgov.org](mailto:victor.young@sfgov.org)>  
**Cc:** Lopez, Holly (HSS) <[holly.lopez@sfgov.org](mailto:holly.lopez@sfgov.org)>; Griggs, Mitchell (HSS) <[mitchell.griggs@sfgov.org](mailto:mitchell.griggs@sfgov.org)>  
**Subject:** FW: REFERRAL - BOS File No. 201133 Administrative Code - Health Care Requirements for Certain Employers at San Francisco International Airport

Victor

Thank you for sending us this information. We have received one inquiry regarding this matter. Therefore, SFHSS would like to enter this comment into the record regarding BOS File No. 20133:

The San Francisco Health Service System (“HSS”) does not provide health care coverage for private sector employers located at the San Francisco International Airport. HSS covers employees and retirees of the City and County of San Francisco, San Francisco Unified School District, San Francisco Community College District and the San Francisco Superior Court.

Thank you.

Abbie Yant RN, MA  
Executive Director  
San Francisco Health Service System  
1145 Market St.  
San Francisco, CA 94103  
[Abbie.yant@sfgov.org](mailto:Abbie.yant@sfgov.org)  
*NEW* Office 628-652-4653  
*New Fax* 628-652-4702

[sfhss.org](http://sfhss.org)

**SAN FRANCISCO  
HEALTH SERVICE SYSTEM**

Affordable, Quality Benefits & Well-Being

This message (including any attachments) contains business proprietary/confidential information intended for a specific individual and purpose, and is protected by law. If you are not the intended recipient, you should delete this message and all attachments from your computer or email server. Any disclosure, copying, or distribution of this message, or the taking of any action based on it, without the express permission of the originator, is strictly prohibited.

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**From:** Young, Victor (BOS) <[victor.young@sfgov.org](mailto:victor.young@sfgov.org)>

**Sent:** Friday, October 9, 2020 9:31 AM

**To:** Morewitz, Mark (DPH) <[mark.morewitz@sfdph.org](mailto:mark.morewitz@sfdph.org)>; Yant, Abbie (HSS) <[abbie.yant@sfgov.org](mailto:abbie.yant@sfgov.org)>; Ivar Satero (AIR) <[Ivar.Satero@flysfo.com](mailto:Ivar.Satero@flysfo.com)>

**Cc:** Cathy Widener (AIR) <[Cathy.Widener@flysfo.com](mailto:Cathy.Widener@flysfo.com)>; Corina Monzon (AIR) <[corina.monzon@flysfo.com](mailto:corina.monzon@flysfo.com)>; Wong, Linda (BOS) <[linda.wong@sfgov.org](mailto:linda.wong@sfgov.org)>

**Subject:** REFERRAL - BOS File No. 201133 Administrative Code - Health Care Requirements for Certain Employers at San Francisco International Airport

Greetings:

The attached matter is being forwarded to your department for informational purposes (attached). If you have any comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102 or email at [victor.young@sfgov.org](mailto:victor.young@sfgov.org).

**Victor Young**

Board of Supervisors

1 Dr. Carlton B. Goodlett Place, City Hall., Room 244

San Francisco CA 94102

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**From:** [BOS Legislation, \(BOS\)](#)  
**To:** [Sandoval, Suhagey \(BOS\)](#); [Mundy, Erin \(BOS\)](#); [Wong, Linda \(BOS\)](#)  
**Cc:** [BOS Legislation, \(BOS\)](#)  
**Subject:** RE: Adding Supervisor Safai as a Cosponsor  
**Date:** Wednesday, October 14, 2020 3:27:48 PM  
**Attachments:** [image001.png](#)

---

Thank you for your request, looping in Linda, committee clerk for Budget and Finance for processing.

**Lisa Lew**

San Francisco Board of Supervisors  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco, CA 94102  
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---

**From:** Sandoval, Suhagey (BOS) <[suhagey.sandoval@sfgov.org](mailto:suhagey.sandoval@sfgov.org)>  
**Sent:** Wednesday, October 14, 2020 3:23 PM  
**To:** Mundy, Erin (BOS) <[erin.mundy@sfgov.org](mailto:erin.mundy@sfgov.org)>; BOS Legislation, (BOS) <[bos.legislation@sfgov.org](mailto:bos.legislation@sfgov.org)>  
**Subject:** Re: Adding Supervisor Safai as a Cosponsor

Hi, Erin:

Confirming for Supervisor Safai, he would like to be added as a co-sponsor. Thank you!

-Suha

---

**From:** Sandoval, Suhagey (BOS) <[suhagey.sandoval@sfgov.org](mailto:suhagey.sandoval@sfgov.org)>  
**Sent:** Wednesday, October 14, 2020 2:59 PM  
**To:** Mundy, Erin (BOS) <[erin.mundy@sfgov.org](mailto:erin.mundy@sfgov.org)>; BOS Legislation, (BOS) <[bos.legislation@sfgov.org](mailto:bos.legislation@sfgov.org)>  
**Subject:** Re: Adding Supervisor Safai as a Cosponsor

Hi, Erin:

Let me confirm and I'll circle back as soon as I hear back, thank you.

-Suha

---

**From:** Mundy, Erin (BOS) <[erin.mundy@sfgov.org](mailto:erin.mundy@sfgov.org)>  
**Sent:** Wednesday, October 14, 2020 2:53 PM  
**To:** BOS Legislation, (BOS) <[bos.legislation@sfgov.org](mailto:bos.legislation@sfgov.org)>  
**Cc:** Sandoval, Suhagey (BOS) <[suhagey.sandoval@sfgov.org](mailto:suhagey.sandoval@sfgov.org)>  
**Subject:** Adding Supervisor Safai as a Cosponsor

Hello,

Please add Supervisor Safai as a co-sponsor to File 201133. Suha, can you confirm? Supervisor Safai asked Rafael to add him earlier today.

Thanks!

Erin

Erin Mundy

Legislative Aide

Supervisor Rafael Mandelman

(415) 554-6968 - Voice

(415) 554-6909 - Fax

[erin.mundy@sfgov.org](mailto:erin.mundy@sfgov.org)

**From:** [BOS Legislation, \(BOS\)](#)  
**To:** [Monge, Paul \(BOS\)](#); [Mundy, Erin \(BOS\)](#); [Wong, Linda \(BOS\)](#)  
**Cc:** [BOS Legislation, \(BOS\)](#)  
**Subject:** RE: Adding Supervisor Ronen as a Cosponsor  
**Date:** Friday, October 16, 2020 10:55:50 AM  
**Attachments:** [image001.png](#)

---

Thank you Erin and Paul.

Since this matter is assigned to committee, looping in Linda Wong, committee clerk for Budget and Finance for processing.

**Lisa Lew**  
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1 Dr. Carlton B. Goodlett Place, Room 244  
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---

**From:** Monge, Paul (BOS) <[paul.monge@sfgov.org](mailto:paul.monge@sfgov.org)>  
**Sent:** Friday, October 16, 2020 10:33 AM  
**To:** Mundy, Erin (BOS) <[erin.mundy@sfgov.org](mailto:erin.mundy@sfgov.org)>; BOS Legislation, (BOS) <[bos.legislation@sfgov.org](mailto:bos.legislation@sfgov.org)>  
**Subject:** Re: Adding Supervisor Ronen as a Cosponsor

Thanks Erin. Yes, confirming Supervisor Ronen's co-sponsorship.

Best,

**Paul Monge, JD, MPP**

Legislative Aide

Office of Supervisor Hillary Ronen I District 9

San Francisco Board of Supervisors

Pronouns: He/Him

---

**From:** Mundy, Erin (BOS) <[erin.mundy@sfgov.org](mailto:erin.mundy@sfgov.org)>  
**Sent:** Thursday, October 15, 2020 4:15 PM  
**To:** BOS Legislation, (BOS) <[bos.legislation@sfgov.org](mailto:bos.legislation@sfgov.org)>  
**Cc:** Monge, Paul (BOS) <[paul.monge@sfgov.org](mailto:paul.monge@sfgov.org)>  
**Subject:** Adding Supervisor Ronen as a Cosponsor

Hello,

Please add Supervisor Ronen as a Cosponsor to File 201133, as per her request to Supervisor Mandelman. Paul is copied here for confirmation.

Thanks,

Erin Mundy

Legislative Aide

Supervisor Rafael Mandelman

(415) 554-6968 - Voice

(415) 554-6909 - Fax

[erin.mundy@sfgov.org](mailto:erin.mundy@sfgov.org)

**From:** [Kilgore, Preston \(BOS\)](#)  
**To:** [Mundy, Erin \(BOS\)](#); [BOS Legislation, \(BOS\)](#); [Wong, Linda \(BOS\)](#); [Smeallie, Kyle \(BOS\)](#)  
**Cc:** [Snyder, Jen \(BOS\)](#); [BOS Legislation, \(BOS\)](#)  
**Subject:** Re: Adding Supervisor Preston as a cosponsor  
**Date:** Tuesday, October 20, 2020 5:24:41 PM  
**Attachments:** [image001.png](#)

---

Thank you Erin. Please add Sup. Preston as a cosponsor of file number 201133.

Thanks everyone,  
Preston

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**From:** Mundy, Erin (BOS) <erin.mundy@sfgov.org>  
**Sent:** Tuesday, October 20, 2020 5:18:40 PM  
**To:** BOS Legislation, (BOS) <bos.legislation@sfgov.org>; Wong, Linda (BOS) <linda.wong@sfgov.org>; Smeallie, Kyle (BOS) <kyle.smeallie@sfgov.org>; Kilgore, Preston (BOS) <preston.kilgore@sfgov.org>  
**Cc:** Snyder, Jen (BOS) <jen.snyder@sfgov.org>; BOS Legislation, (BOS) <bos.legislation@sfgov.org>  
**Subject:** Re: Adding Supervisor Preston as a cosponsor

Hi D5 friends - can someone confirm Supervisor Preston's cosponsorship?

Thanks

---

**From:** BOS Legislation, (BOS) <bos.legislation@sfgov.org>  
**Sent:** Monday, October 19, 2020 2:55:02 PM  
**To:** Mundy, Erin (BOS) <erin.mundy@sfgov.org>; Wong, Linda (BOS) <linda.wong@sfgov.org>  
**Cc:** Snyder, Jen (BOS) <jen.snyder@sfgov.org>; BOS Legislation, (BOS) <bos.legislation@sfgov.org>  
**Subject:** RE: Adding Supervisor Preston as a cosponsor

Thank you Erin,

Looping in Linda, who is the committee clerk for Budget and Finance, since File No. 201133 is assigned to B&F.

Also, we still need confirmation from Supervisor Preston's office before processing co-sponsorship.  
Thanks.

**Lisa Lew**  
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---

**From:** Mundy, Erin (BOS) <erin.mundy@sfgov.org>  
**Sent:** Friday, October 16, 2020 3:51 PM  
**To:** BOS Legislation, (BOS) <bos.legislation@sfgov.org>  
**Cc:** Snyder, Jen (BOS) <jen.snyder@sfgov.org>  
**Subject:** Adding Supervisor Preston as a cosponsor

Hello,

Please add Supervisor Preston as a cosponsor to File 201133. Jen is copied here and can confirm.

Thanks!

Erin



235 Montgomery St., Ste. 760, San Francisco, CA 94104  
tel: 415.392.4520 • fax: 415.392.0485  
sfchamber.com • twitter: @sf\_chamber

October 20, 2020

The Honorable Supervisor Rafael Mandelman  
The Honorable Supervisor Shamann Walton  
San Francisco City Hall  
1 Dr. Carlton B. Goodlett Place, Room 284  
San Francisco, CA

Re: File #201133 Health Care Requirements for Certain Employers at San Francisco International Airport

Dear Supervisor Mandelman and Walton,

On behalf of the San Francisco Chamber of Commerce and our members, I write to you about our concerns regarding File #201133 "Health Care Requirements for Certain Employers at San Francisco International Airport." The Healthy Workers Ordinance (HWO), which would add employee family coverage to HCAO's mandate and require that family coverage be cost-free to the employee, directly targets the airline industry - as well as the small business food vendors in SFO.

The aviation industry is currently suffering greatly due to COVID-19 impacts. After the public health crisis was declared, this industry saw a 70 percent decrease in business and tens of thousand of airline workers furloughed. The estimated minimum cost to SFO employers of implementing the HWO is \$83 million. It is estimated that 29,000 contractor, supplier, vendor, and airline jobs would be placed at risk - not including job losses due to COVID.

While the HWO directly targets the aviation industry, it would also impact San Francisco based businesses that are also SFO employers. Restaurants and cafes that are in SFO have faced furloughs and massive decreases in business and revenue since shelter in place; and our members will not be able to sustain more costs to business during COVID or in recovery. We cannot afford to further hinder our San Francisco businesses.

Considering the breadth of impact of this legislation, we advocate for the following measures to ensure the HWO does not cause undue harm:

### **Economic Impact Report**

With the expected release of an Economic Impact Report and the Committee Hearing just a day away, we are advocating for the time needed to fully digest the economic impacts of this ordinance. The four largest airlines at SFO estimate the direct cost of implementing the proposed legislation to be \$83 million, with a projected overall direct and indirect impacts to amount to almost 3,000 fewer jobs, and a \$306 million hit to the economy. This industry is essential to providing San Francisco with its tourism base, which generated \$819 million in taxes in fees to the City in 2019. It is imperative to fully understand how this legislation would add further reduction in operations to SFO's ability to bring in tourists, considering that COVID travel will continue to only slowly recover.



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### **Commission Hearings**

This legislation deserved a full hearing before it is heard at the Budget and Finance Committee. Given the impacts on small businesses and the airport itself, we feel it is essential to have the HWO heard by the Small Business Commission and the Airport Commission. Despite this legislation being targeted at private sector employees, the airport's capacity will be affected on the whole.

The San Francisco Chamber of Commerce prioritizes the health of San Francisco businesses and its employees, and believes that any legislation that has such a breadth of impact on a variety of industries deserves to be heard in full. We urge you to consider continuing the legislation at committee until there is adequate time to digest the full economic report of the HWO, and allow it to be heard by the Small Business and Airport Commission.

Thank you for your time and consideration.

Respectfully,

Rodney Fong  
President & CEO  
San Francisco Chamber of Commerce

CC: Mayor London Breed; Full Board of Supervisors; Jouquin Torres, OEWD