CITY OF NEWPORT BEACH

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Mayor Will O'Neill Mayor Pro Tem Brad Avery Council Members Joy Brenner Diane Brooks Dixon Marshall "Duffy" Duffield Jeff Herdman Kevin Muldoon

August 3, 2020

The Honorable Hannah-Beth Jackson California State Senate State Capitol Building, Room 2032 Sacramento, CA 95814

RE: <u>SB 1383 (Jackson) Unlawful Employment Practice: Family Leave. [As Amended</u> June 29, 2020] Notice of Opposition

Dear Senator Jackson,

The City of Newport Beach must respectfully oppose SB 1383, which requires any employer, public or private, with only 5 employees to provide 12-weeks of protected leave each year and threatens them with litigation for any unintentional mistake. Our objections to this measure are rooted in policy, operational cost, and economic consequences that will inevitably face virtually every local government agency and community should this measure be signed into law.

Current Circumstances:

Right now, public employers are dealing with record revenue losses while also trying to support the highest demand on our services in recent memory. This bill would make managing city workloads with an already diminished capacity much more difficult.

The success of local governments is tied to the success of our local economies. The prospect of additional labor mandates would severely impact struggling and hard-hit businesses as they are deciding whether to reopen or continue operations. Of course, small business closures can be devastating to our communities and the tax base we rely on to fund critical services.

Private Right of Action

The leave mandated under SB 1383 is enforced through a private right of action that includes compensatory damages, injunctive relief, declaratory relief, punitive damages, and attorney's fees. Any employee who believes an employer did not properly administer the leave, interfered with the leave, or denied the leave, can face litigation. A lawsuit diverts resources from critical services and occupies staff time that could be spent supporting the community during this pandemic.

For these reasons, the City of Newport Beach opposes SB 1383 (Jackson).

Sincerely,

Till

Will O'Neill Mayor