STATE OF NEW JERSEY
218th LEGISLATURE

DATED: APRIL 16, 2018

SUMMARY

Synopsis: Concerns earned sick leave to employees.

Type of Impact: State Revenue Increase and State Expenditure Increase, General Fund. State Expenditure Increase, State Disability Benefits Fund, Potential State and Local Cost Increase.

Agencies Affected: Department of Labor and Workforce Development (DOLWD)

Office of Legislative Services Estimate

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<th>Fiscal Impact</th>
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<td>State Revenue Increase</td>
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<td>State Expenditure Increase</td>
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<td>Potential State and Local Expenditures Increase</td>
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- The Office of Legislative Services (OLS) estimates that the bill will result in an indeterminate annual State revenue increase, due to the collection of penalties resulting from violations of the provisions of the bill.

- The bill will result in an indeterminate, likely insignificant, annual increase in State administrative expenditures tied to DOLWD’s implementation of notifications to employees of their rights.

- The OLS also estimates that the bill will result in an annual increase in State administrative expenditures of not less than $500,000 from the administration account of the State disability benefit fund to pay for the program.

- The OLS notes that the enactment of the bill may result in an increase in expenditures to:
  - local entities, to the extent that they do not provide or provide less favorable earned sick leave benefits to their employees; and
the State and local entities who contract with contractors, to the extent that contractors who do not provide or provide less favorable earned sick leave benefits to their employees, and to the extent that the costs of these contracts may increase.

BILL DESCRIPTION

The bill requires each employer to provide earned sick leave to each employee it employs in the State. The bill prohibits retaliatory personnel actions against an employee for the use or requested use of earned sick leave or for filing of a complaint for an employer violation. The bill sets requirements for record keeping and for notifying workers of their rights. In cases of employer non-compliance with the requirements of the bill, including the requirements regarding retaliation, record keeping, and notification to employee of their rights, the bill provides certain penalties based on non-compliance with State laws regarding the payment of wages, including the “New Jersey State Wage and Hour Law,” P.L.1966, c.113 (C.34:11-56a et seq.).

The bill requires the employer to provide notification, in a form provided by the Commissioner of Labor and Workforce Development, to employees of their rights including, among others, the amount of earned sick leave to which they are entitled and the terms of its use. The commissioner is required to make these notifications available in English, Spanish, and any other language the commissioner determines is the first language of a significant number of workers in the State.

The provisions of the bill would preempt any county or municipal ordinance, resolution, law, rule, or regulation regarding earned sick leave. The bill sets a minimum standard for earned sick leave, but does not prevent any employer policy, collective bargaining agreement, or other law or ordinance which sets a higher standard. Under the bill, public employers are exempt from the provisions of the bill if they are required to provide their employees with sick leave with full pay pursuant to any other law, rule or regulation of this State.

The bill directs the commissioner to implement a multilingual outreach program to inform employees, parents, and persons under the care of health care providers about the availability of earned paid sick leave, and allocate not less than $500,000 to the program from the administration account of State disability benefit fund.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that the bill will result in an indeterminate annual State revenue increase, due to the collection of penalties resulting from violations of the provisions of the bill.

The bill will result in an indeterminate, likely insignificant, annual increase in State administrative expenditures tied to DOLWD’s implementation of notifications to employees of their rights in English, Spanish, and any other language that the commissioner determines is the first language of a significant number of workers in the State.
The OLS also estimates that the bill will result in an annual increase in State administrative expenditures of not less than $500,000 from the administration account of the State disability benefit fund to pay for the program. The increase in expenditures would be due to the requirement under the bill that the commissioner develop and implement a multilingual outreach program to inform employees, parents, and persons under the care of health care providers about the availability of earned paid sick leave.

The OLS notes that public employers would not be subject to the provisions of the bill to the extent that the employer provides its employees sick leave with full pay pursuant to any other law, rule or regulation of this State. However, the enactment of the bill may result in an increase in expenditures to local entities, to the extent that they do not provide or provide less favorable earned sick leave benefits to their employees than those required pursuant to the bill.

The bill may also result in an increase in expenditures to the State and local entities who contract contractors, to the extent that contractors who do not provide or provide less favorable earned sick leave benefits to their employees will have an increased cost in their employee benefits, which in turn may increase costs of those contracts to the State or local entities.

Section: Commerce, Labor and Industry

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Approved: Frank W. Haines III
Legislative Budget and Finance Officer

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).