

The new paid sick leave law: An uncertain diagnosis

This July almost all employers will be required to provide all of their employees with paid sick leave pursuant to the Healthy Workplaces

GUEST VIEW



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/Healthy Families Act of 2014. This law is sweeping in scope and will result in a significant new cost for California employers.

While many pro-business organizations oppose the new burden placed on businesses by this law, the problem goes deeper.

Like many laws faced by small businesses, it is not entirely clear what benefits the law bestows. The idea behind the law is simple — all employers will be required to provide their employees up to 24 hours or three days of paid sick leave to use per year. It is the “or three days” requirement that presents the prob-

lem.

An employer can decide whether the employee is going to accrue the leave over time or provide it in a lump sum. The lump sum method is easier from an administrative perspective and eliminates some of the law’s record keeping and carry over requirements. But, in July, if the employer chooses to use the lump sum method, how much leave is it required to put in the employee’s sick leave bank if the employee doesn’t work the typical eight-hour day?

What if an employee works four 10-hour days per week? Does the law require the business owner to put 30 hours in the sick leave bank because that is how many hours the employee would work in three days or does the “or three days” only refer to the situation where an employee is on a salary?

Assuming that the “or three days” provision requires 30 hours of sick leave if any employee works 10 hours a day, what if an employee’s

workday fluctuates from six hours a day to 12 hours day — then what? Does it default to 24 hours? Or, is it 36 hours based on the longest day? Or does the employer average?

What if the employee’s regular schedule changes from 10 hours a day to six hours (or vice versa) after the employer already put the leave in the bank? Can the employer then take back excess in the first instance, and does it have to add more in the second? Unfortunately, this confusion will undoubtedly lead to lawsuits and litigation.

There are some obvious changes that would fix some of the ambiguities in the law, but who will do it? The Assembly members that voted in favor of the bill have moved on to other issues and are generally not as concerned with an ambiguity that will likely lead to a more expansive interpretation.

On the other hand, the Assembly members that voted against the bill are not incentivized to improve a

law that they do not like in the first case. Laws often make sense in the abstract (or at least in Sacramento), but when they are applied to businesses in the real world, they simply don’t fit. In the end, small businesses will pay the price, both for the new benefit itself, and, perhaps more importantly, for the ambiguity. Ultimately, the ambiguity will be resolved, but it will likely take court action, lawsuits and an unsuspecting defendant (e.g. small business owner).

This situation reminds me of a quote from Ayn Rand’s *Atlas Shrugged*, “... just pass the kind of laws that can neither be observed nor enforced nor objectively interpreted — and you create a nation of lawbreakers—and then you cash in on guilt.”

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Helpful tips for staffing your franchise business

Hiring for your new franchise shouldn’t be taken lightly. Research shows that making poor hiring choices can have serious financial implications for a business. In fact, it’s estimated that a bad hire can cost a small business up to five times the employee’s annual salary through lost customers, lost sales, reduced product quality and/or lower production output.

Make sure you’re staffing your franchise business the right way with these helpful hiring tips.

1. Ask your franchisor for hiring help.

One of the benefits of owning a franchise business is being able to take advantage of resources and assistance from the franchisor—and this is a perfect opportunity. Ask your franchisor for hiring advice, including what type of people tend to work out and whether they’ve had success with any particular recruiters or hiring processes.

2. Look for referrals.

Ask your closest entrepreneur contacts for referrals on who may be a good fit for your team. Typically, it’s easier to bring referrals on board and you’ll enjoy peace of mind knowing your new hire comes highly recommended by someone you know and trust.

3. Make sure your job description is clear, concise and accurate.

Avoid any situations where your new hire may not understand the role clearly, from what the position includes to what’s expected of them, by spending extra time crafting your job description. Make sure you clearly outline the primary responsibilities of the job, the attributes and skills that are required of the

successful candidate, and any other optional but preferred abilities that would make a new hire the perfect fit. Be sure to include an application deadline and a preferred method of contacting you, and state when you’ll be following up with shortlisted applicants.

4. Interview for fit, not just skill.

When interviewing applicants, keep your company culture in mind and hire accordingly. For example, if your business is a trendy clothing boutique, you’ll likely want to hire salespeople that are similar in age as your target demographic, who care about fashion and who have friendly, outgoing social skills. Being able to perform the job duties is only part of the equation, and not hiring for fit and personality is one of the biggest mistakes entrepreneurs can make when staffing businesses.

5. Invest in the right training for new hires.

Once you’ve hired a new employee, help them get off to a good start and create a positive first impression of your company. Part of this involves providing the right training and onboarding experience to help them succeed in their role. Your franchisor may be able to provide training materials and guidelines, and the new employee should chat with or job-shadow team members early on—perhaps even during the interview process — so they can ask questions about and become familiar with your franchise, integrating easily with the rest of the team.

Founded in 1943, and headquartered in Nashville, Tennessee, the **National Federation of Independent Business** is America’s leading small-business advocacy association.

WEB POLL

What’s the biggest reason for the rise of violent crime in Fresno?



47.61% - Proposition 47
13% - California Prison realignment
13% - Climate of police scrutiny
10% - Not Sure
6% - Jail budget problems

A recent spike in violent crime in Fresno has residents and police officials concerned and scrambling to fix the problem. According to this week’s Web poll, 61 percent of respondents feel the biggest cause is Proposition 47, which downgraded some felony crimes to misdemeanors. Another 13 percent felt the state’s prison realignment plan was the biggest cause, while another 10 felt it was an increased climate of police security. Ten percent were unsure, while six percent blamed problems with the Fresno County budget for jails. Three hundred thirty-four votes were cast.