



October 3, 2022

COVID-19 Supplemental Paid Sick Leave Relief Grant Program Becomes Law

Governor Newsom has signed [AB 152 \(Committee on Budget\)](#) which implements the COVID-19 Supplemental Paid Sick Leave Relief Grant Program for which the industry strongly advocated. Securing funding and launching this program is a major achievement.

The new law establishes the COVID-19 Relief Grant Program within the Governor's Office of Business and Economic Development (GO-Biz) to assist qualified businesses with grants up to \$50,000 to reimburse COVID 19 Supplemental Paid Sick Leave (SPSL) provided between January 1, 2022 through December 31, 2022.

The bill provides for an additional \$70 million in grant funds, in addition to the \$250 million we secured for the program in the budget earlier this year, for a total of \$320 million. To qualify for the SPSL Relief Grant, a business must meet all of the following criteria:

- Is a "C" or "S" corporation, cooperative, limited liability company, partnership or limited partnership;
- Began operating before June 1, 2021;
- Is currently active and operating;
- Has 26 to 49 employees and provides payroll data and an affidavit attesting to that fact;
- Has provided SPSL pursuant to the requirements of Labor Code §§ 248.6 and 248.7; and,
- Provides organizing documents.

It is important to note that California construction employers were the only employers who were provided a variance when calculating the less than 50 employee threshold. While the grant program contains the less than 50 employee qualifier to access grant funds for all other employers in the state, we were able to secure industry specific language to allow construction employers to count only "core employees" towards the less than 50 employee threshold. That exemption reads as follows:

"For purposes of calculating the number of employees to determine if the employer meets the 26 to 49 employees requirement for access to the grant program, an employer covered by Industrial Welfare Commission Order No. 16-2001, shall calculate their number of employees as the number of full-time employees that have worked for the employer, without any break in employment, for the past 24 months."

This language should significantly increase the number of contractors who will qualify for access to the grant program.

As previously reported, the California Labor Federation forced amendments into the bill that extend the requirement for employers with more than 25 employees to provide SPSL from September 30, 2022, to December 31, 2022. Employees may utilize unused SPSL under the extension, the total amount of leave

available to employees was not increased. In addition, AB 152 states that an employer has no obligation to provide SPSL if the employee states they have tested positive for COVID-19 and refuses to provide documentation or submit to a test. Employers will also be allowed to request additional tests between days 5–10 after the first positive test. Employers do not have to provide additional SPSL to an employee who tests positive and refuses to submit to the follow-up testing.

As a budget “trailer” bill, AB 152 will take effect immediately. Now that the measure has been signed, we will work with Go-Biz during the launch of the program. Once the program is officially up and running, we will get an alert out with the needed information for application and encourage contractors to get their grant applications in immediately, as we strongly believe the program will be oversubscribed.