

## AB 650 (MURATSUCHI): COVID-19: HAZARD PREMIUM PAY

**POSITION:** The Chamber's Health Committee voted to OPPOSE the bill on April 14, 2021. The Chamber's Public Policy Committee voted to OPPOSE this item on May 11, 2021. The Board of Directors voted to OPPOSE this item on May 27, 2021.

**RATIONALE:** AB 650 goes above what is reasonable at a time when many hospitals have robust programs to reward their workforce during the pandemic, and it fails to consider the financial strain the health care industry is under due to COVID.

**STATUS:** AB 650 was introduced by Assemblymember Al Muratsuchi on February 12, 2021. The bill's has been amended twice within the Assembly Appropriations Committee and has been ordered to the inactive file as of June 3<sup>rd</sup>.

### SUMMARY

Requires that certain employers (health care providers or those that provide contracted services on the site of a provider) pay "hazard pay retention bonuses" to their workforce in January, April, July and October of 2022, on top of any general salary, bonuses or other incentives they may offer. The bill would then make any employer who violates the provision liable for litigation. The retention bonuses will be, provided at each payment interval: \$2,500 to each full-time employee per payment, \$1,500 to part-time, and \$1,000 to those employed less than part-time.

### INDUSTRY/IES IMPACTED

AB 650 would impact the health care industry, office management and janitorial industries.

### ARGUMENTS IN FAVOR

- The bill's sponsor, SEIU argues that the bill is a necessary tool to keep health care workers in the state, and that the pandemic has many health care workers thinking of moving out.

### ARGUMENTS IN OPPOSITION

- According to the California Association for Health Services at Home, the bill could cost upwards of \$6 billion statewide, and could result in higher health care costs as employers try to find the funds to meet the demands of this bill.

### SUPPORTERS

- SEIU (Sponsor)
- California Labor Federation
- California Teamsters Public Affairs Council
- Health Care Workers
- OPEIU Local 30
- San Mateo Labor Council
- San Francisco Young Democrats

### OPPONENTS

- California Chamber of Commerce
- California Business Roundtable
- California Medical Association
- California Hospital Association
- California Society of Pathologists
- Sharp Healthcare
- Scripps Health
- Torrance Chamber of Commerce
- Oxnard Chamber of Commerce

