



The Regulatory Preemption Spark Mandatory Paid Sick Leave

Last year, some city governments, like Austin and San Antonio, began passing one-size-fits-all mandates that forced private employers to offer specific benefits to full- and part-time employees. These new rules effectively limited the benefit choices available to employees that best work for them. By forcing employers to offer specific incentives, like mandatory paid sick leave, workers have less freedom to negotiate for more attractive benefits like flex time, vacation, higher pay, increased hours, or bonuses.

For example, Don “Skeeter” Miller, the owner and president of the historic restaurant The County Line, told a [forum](#) hosted by the Texas Public Policy Foundation in May 2018 that the cost to comply with the city’s new mandate at only his Austin location ran near \$200,000 annually. Miller said this massive expense would force him to reevaluate what benefits and hours he could offer his employees, as well as his generous philanthropic contributions to the region.

Mandating paid sick leave is simply government overreach into private affairs and excessive interference in the employer-employee relationship. That push is neither popular nor effective.

Examples:

- WPA [polling](#) showed that Texans overwhelmingly support consistent employment regulations. Roughly 2 out of 3 voters say that they disapprove of a patchwork of local regulations that allow cities to regulate private employment practices. 3 out of 4 say the Legislature

should make sure laws and regulations are uniform across the state.

- WPA polling also suggests that a plurality of voters (**40 percent**) do not support government-mandated paid sick leave because it “allow[ed] governments to infringe on the employees’ and employers’ freedom to negotiate terms of an employment contract...”
- After the implementation of mandatory paid sick leave in Connecticut, the average worker between the ages of 20 and 34 saw a **reduction in hours by approximately 1.5 percent**, correlating to an **annual income reduction of about 3.3 percent**. This reduction of hours and income for younger employees may have long-term consequences, as experience and learning on the job are especially important for those entering the workforce.
- According to Employment Policies Institute (EPI), **nearly 30 percent of the lowest-paid employees** in San Francisco reported layoffs or reduced hours at their work. Additionally, in San Francisco, employers with a new policy as a result of the mandate reported a **38.6 percent** reduced compensation, **30.1 percent** decreased employee vacation time, and **13.8 percent** reduced pay raises or bonuses.

Mandated leave policies are best negotiated between employers and employees without the imposition of a one-size-fits-all mandate that may not be in either party’s best interest. The Legislature should follow suit and leave paid sick leave for an employer and employee to negotiate as a component in the compensation package. ★

ONE-SIZE-FITS-ALL MANDATES HURT EVERYONE

- *PSL mandates harm employers by...* forcing them to absorb higher costs without an increase in output, loading them down with intrusive and time-consuming recordkeeping requirements;
- *PSL mandates harm employees by...* depriving them of benefit options, wage gains, and more work hours available;
- *PSL mandates hurt consumers by...* making them pay higher prices for goods and services, leaving them with fewer options as stores and businesses close under the weight of the new requirements.