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February 14, 2017

General Services Administration
Regulatory Secretariat Division
ATTN: Ms. Flowers
1800 F Street NW, 2nd Floor
Washington, DC 20405-0001

**Re: Federal Acquisition Regulation: Paid Sick Leave for Federal Contractors (FAC
2005-93, FAR Case 2017-001)**

Dear Ms. Flowers,

On behalf of The Leadership Conference on Civil and Human Rights, a coalition charged by its diverse membership of more than 210 national organizations to promote and protect the civil and human rights of all persons in the United States, we write to express our strong support for the interim rule revising the Federal Acquisition Regulation to implement Executive Order 13706, *Establishing Paid Sick Leave for Federal Contractors* ("the EO"). The Executive Order (EO) and implementing regulations will benefit an estimated 1.15 million employees of federal contractors. Of these employees, an estimated 600,000 will receive paid sick days for the very first time.

The EO and implementing regulations require contractors to allow employees working on or in connection with a covered contract to accrue up to 56 hours of paid sick time annually to care for their own medical needs, a family member's medical needs, or for purposes related to domestic violence, sexual assault, or stalking. As a result of this rule, fewer workers will have to make impossible choices between their jobs and their health or the health of their families.

This rule is particularly important for low wage workers and workers of color who are most likely to work in jobs without paid sick leave. For example, 40 percent of workers in the United States lack access to paid sick days in their current jobs.¹ Hispanic workers—both male and female—are least likely to have paid sick days.² Less than half of Hispanic workers (46 percent) have access to paid sick days compared with 60 percent of workers overall.³

In states and cities with paid sick leave requirements, evidence from the private sector demonstrates that paid sick days improve employee retention and promote economy and efficiency in federal contracting. Research shows that an employee is at least 25 percent less likely to voluntarily leave a job when the employee has access to paid sick days.⁴ Across all occupations, median turnover costs are estimated to be 21 percent of workers' annual wages.

¹ Jenny Xia, Jeffrey Hayes, Barbara Gault, & Hailey Nguyen, *Paid Sick Days Access and Usage Rates Vary by Race/Ethnicity, Occupation, and Earnings*, IWPR Publication No. B356, Institute for Women's Policy Research (Feb. 2016). Available at <http://www.iwpr.org/publications/pubs/paid-sick-days-access-and-usage-rates-vary-by-race-ethnicity-occupation-and-earnings>.

² *Id.*

³ *Id.*

⁴ Hill, H. D. (2013). Paid Sick Leave and Job Stability. *Work and Occupations*, 40(2), 143-173



For workers in high-wage jobs and senior or executive positions, turnover costs can amount to 213 percent of workers' salaries,⁵ and even in middle- and lower-wage jobs, turnover costs are estimated to be 16 to 20 percent of workers' annual wages.⁶ Direct costs associated with turnover include separation costs, costs associated with temporary staffing, costs associated with searching for and interviewing new workers, and training costs for new workers.⁷ Indirect costs associated with turnover can arise from lost productivity leading up to and after employee separations, diminished output as new workers ramp up, reduced morale and lost institutional knowledge.⁸

We also note that providing paid sick leave to employees will not unduly burden federal contractors. Contractors with an existing policy that provides paid time off and meets certain conditions will satisfy the requirements of the EO. Thus, contractors that already provide sick days will not have to provide additional time. Even for contractors that do not already provide paid time off, ample evidence from the private sector and cities and states with paid sick day laws demonstrates that compliance burdens for contractors are minimal and are far outweighed by the benefits of the law. In San Francisco, for example, the Vice President of the local Chamber of Commerce – which led the fight against the law with dire predictions about its impact on employers – told *The New York Times* that the law's impact was "minimal" and that "[b]y and large, [paid sick days] has not been an employer issue."⁹ Additionally, employers broadly support paid sick time: polling shows that CEOs support paid sick time 73 percent to 16 percent, and support "more time off to take care of sick children or other relatives" 83 percent to 5 percent.¹⁰

The Leadership Conference strongly supports paid sick time which will guarantee workers the economic security that paid sick leave provides and increases retention, thus leading to greater economy and efficiency in federal contracting. We urge swift action in implementing this rule. For any additional information please contact June Zeitlin, Director of Human Rights Policy, at 202-263-2852 or zeitlin@civilrights.org.

Sincerely,

Wade Henderson
President & CEO

Nancy Zirkin
Executive Vice President

⁵ Boushey, H., & Glynn, S. J. (2012, November 16). *There Are Significant Business Costs to Replacing Employees*. Center for American Progress Publication. Retrieved 9 February 2017, from <http://www.americanprogress.org/wp-content/uploads/2012/11/CostofTurnover.pdf>

⁶ *Id.*

⁷ Allen, D. G., Bryant, P. C., & Vardaman, J. M. (2010). Retaining talent: Replacing misconceptions with evidence-based strategies. *The Academy of Management Perspectives*, 24(2), 48-64.

⁸ See note 4.

⁹ R. Swarns, *Despite Business Fears, Sick-Day Laws Like New York's Work Well Elsewhere*, New York Times (Jan. 26, 2014). Available at <http://www.nytimes.com/2014/01/27/nyregion/despite-business-fears-sick-day-laws-like-new-yorks-work-well-elsewhere.html>.

¹⁰ Mary Bottari, *Highlights of Luntz Poll of American CEOs Shows Broad Support for Progressive Policies*, PRWatch, Center for Media and Democracy (Apr. 4, 2016). Available at <http://www.prwatch.org/news/2016/04/13075/top-gop-pollster-chamber-commerce-lobbyists-poll-shows-your-members-support>.