[Labor and Employment Code - Health Care Expenditure Requirements for Certain Employers at the Airport]

Ordinance amending the Labor and Employment Code to revise the Healthy Airport Ordinance to modify, beginning on the later of January 1, 2027, or the effective date of this Ordinance, contracting parties' obligations for providing minimum health care expenditures to certain airport workers.

NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
Additions to Codes are in *single-underline italics Times New Roman font*.
Deletions to Codes are in ~~*strikethrough italics Times New Roman font*~~.
Board amendment additions are in double-underlined Arial font.
Board amendment deletions are in ~~strikethrough Arial font~~.
Asterisks (* * * *) indicate the omission of unchanged Code subsections or parts of tables.

Be it ordained by the People of the City and County of San Francisco:

Section 1. Findings and Purpose.

(a) In 2020, the City enacted the Healthy Airport Ordinance (Ordinance No. 235-20), which amended the Health Care Accountability Ordinance, now codified as Article 121 of the Labor and Employment Code. The purpose of the Healthy Airport Ordinance, both as originally enacted and through subsequent amendments (see Ordinance No. 234-25), is to ensure San Francisco Airport Service Employees and their families can afford quality health care. The ordinance has helped attract and retain high-quality employees whose work impacts safety and security, improved Airport safety and security for travelers and the public by promoting a healthier workforce, and minimized the potential for contagion to spread from the Airport (a major worldwide transportation hub) to other environs. However, some Contracting Parties of San Francisco Airport Service Employees ("Covered Employers") have raised concerns and objections relating to the obligations placed on them under the law.

(b) The purpose of this ordinance is to preserve the improvements to Airport safety and security obtained through the Healthy Airport Ordinance, while reducing some of the obligations the Healthy Airport Ordinance has placed on Covered Employers of San Francisco Airport Service Employees.

(c) This ordinance does not require any Covered Employer to create, change, or in any way modify an employer-provided health insurance plan. Rather, this ordinance requires Covered Employers to make minimum Irrevocable Health Care Expenditures to or on behalf of San Francisco Airport Service Employees. A Covered Employer may comply with this ordinance even if it offers no health insurance plan to its San Francisco Airport Service Employees by contributing to Medical Reimbursement Accounts administered in accordance with Section 21.2(g) of Article 21 of the Labor and Employment Code. This ordinance is also intended to ensure that Covered Employers are provided full credit for all types of irrevocable health care spending without regard to the form or nature of the specific health care benefits provided.

Section 2. Article 121 of Division II of the Labor and Employment Code is hereby amended by revising Sections 121.2 and 121.3 to read as follows:

SEC. 121.2. DEFINITIONS.

As used in this Article 121, the following capitalized terms shall have the meanings set forth in this Section 121.2:

* * * *

"Contractor" shall mean the person or entity that enters into a Contract with the City. The term "Contractor" also means any person or entity that enters into a Contract with a Tenant or Subtenant to perform services on property covered by a Lease.

"Cost-Efficient Health Insurance Plan" means a health insurance plan that:

(1) Is offered to a San Francisco Airport Service Employee and their dependents;

(2) Provides coverage for each of the services described in the California Essential Health Benefit Benchmark Plan;

(3) Provides a level of coverage that is designed to provide benefits that are actuarially equivalent to at least 84% of the full actuarial value of the benefits provided under the plan;

(4) Does not require the San Francisco Airport Service Employee to contribute to the plan's premium costs for individual-only coverage; and

(5) Does not require the San Francisco Airport Service Employee to contribute more than 15% of the plan's premium costs for individual-plus-dependent-care coverage.

"Covered Employee" shall mean:

(1) An Employee of a Contractor or Subcontractor who works on a City Contract or Subcontract for 20 hours or more per Week in the United States; and

(2) An Employee of a Tenant or Subtenant who works 20 hours or more per Week on property that is covered by a Lease or Sublease; and

(3) An Employee of a Contractor or Subcontractor that has a Contract or Subcontract to perform services on property covered by a Lease or Sublease if the Employee works 20 hours or more per Week on the property; and

(4) A San Francisco Airport Service Employee ~~*who works any number of hours during any Week in such capacity.*~~ *who is expected to work for a Contracting Party at least 130 hours within the current quarter of the year. With respect to the quarter in which a San Francisco Airport Service Employee is hired, the San Francisco Service Employee shall be deemed covered if the employee is expected to work on average 10 hours or more per week during the portion of the quarter arising after the employee's first date of employment.*

A Contractor or Subcontractor may not divide an employee's time between working

on a City contract and working on other duties with the intent of reducing the number of Covered Employees working on the Contract to evade compliance with this Article 121. Such action shall constitute a violation of this Article.

* * * *

SEC. 121.3. HEALTH CARE ACCOUNTABILITY COMPONENTS.

(a) ***Covered Employees Residing or Providing Services in San Francisco.*** Except as provided in subsection~~s~~ (d) ~~*and (e)*~~, with respect to each Covered Employee who either resides in San Francisco (regardless of where the Covered Employee provides services) or provides services covered by this Article 121 in San Francisco, each Contracting Party shall do one of the following, at the Contracting Party's option:

(1) Offer to the Covered Employee health plan benefits that meet minimum standards prepared by the Health Director and approved by the Health Commission. The minimum standards shall provide for a maximum period for each Covered Employee's health benefits to become effective, no later than the first of the month that begins after 30 days from the start of employment on a covered Contract, Subcontract, Lease, or Sublease. The Health Commission shall review such standards at least once every two years to ensure that the standards stay current with State and Federal regulations and existing health benefits practices; or

(2) For each Week in which the Covered Employee works the applicable minimum number of hours set forth in Section 121.2 (definition of "Covered Employee"), pay to the City $2.80 per hour for each hour the Covered Employee is employed by the Contracting Party on the Contract or Subcontract or on property covered by a Lease, but not to exceed $112 in any Week. The City shall appropriate money received pursuant to this subsection (a)(2) for the use of the Department of Public Health. The Department of Public

Health shall use the monies appropriated for staffing and other resources to provide medical care for the uninsured. Beginning with Fiscal Year 2009-2010, and each following year, the Health Director shall propose adjustments to the hourly rate and weekly maximum fee provided in this subsection, based on changes since the prior year in the Bureau of Labor Statistics Consumer Price Index for Medical Care in the San Francisco Bay Area or average Health Maintenance Organization (HMO) premiums in California. The Health Director shall submit the proposed adjustments to the Controller by March 1. The Controller shall make appropriate adjustments to the hourly rate and weekly maximum fee without further action by the Board of Supervisors. The adjusted hourly rate and weekly maximum fee shall take effect on July 1.

(3) Participate in a health benefits program developed by the Health Director in consultation with the Agency. The Health Director shall obtain Health Commission approval of the program before implementing it. The Health Director shall seek such approval within 12 months after this Article 121 is finally approved. Prior to implementation of the health benefits program provided in this subsection (a)(3), each Contracting Party shall comply with subsection (a)(1) or (a)(2). After the Health Director implements the program, in addition to the options provided in subsections (a)(1) and (a)(2), Contracting Parties may satisfy their obligations under this Article by complying with the requirements of the health benefits program. In developing the program, the Health Director shall: (i) attempt to make health coverage available for uninsured Covered Employees and, if feasible, any other person employed by a Contracting Party who works less than 20 hours per week on a City contract, or other uninsured City residents; (ii) use public health facilities to the maximum extent practicable; (iii) make the program economically viable; and (iv) provide a mechanism for funding which relies, as much as possible, on contributions by participating employers and employees.

(b) ***Covered Employees Not Residing in San Francisco Who Work at San Francisco Airport or the San Bruno Jail.*** Except as provided in subsections (d) ~~and (e)~~, with respect to each Covered Employee who does not reside in San Francisco, but who provides services covered by this Article 121 at the San Francisco Airport *(who are not San Francisco Airport Service Employees) or* at the San Bruno Jail, each Contracting Party shall do one of the options set forth in subsection (a), at the Contracting Party's option.

(c) ***Covered Employees Not Residing in San Francisco Who Do Not Work at San Francisco Airport or the San Bruno Jail.*** With respect to each Covered Employee who does not reside in San Francisco, and does not provide services covered by this Article 121 in San Francisco, at the San Francisco Airport, or at the San Bruno Jail, each Contracting Party shall do one of the following, at the Contracting Party's option:

(1) Offer to the Covered Employee health plan benefits that meet minimum standards prepared by the Health Director and approved by the Health Commission pursuant to subsection (a)(1) above; or

(2) For each Week in which the Covered Employee works the applicable minimum number of hours set forth in Section 121.2 (definition of "Covered Employee"), pay to the Covered Employee an additional $2.80 per hour for each hour the Covered Employee is employed by the Contracting Party on the Contract or Subcontract or on property covered by a Lease, but not to exceed $112 in any Week, to enable the employee to obtain health insurance coverage. This represents the City's original estimate of the average cost of obtaining individual health insurance benefits. Beginning with Fiscal Year 2009-2010, and each following year, the Health Director shall propose adjustments to the hourly rate and weekly maximum fee provided in this *subs*ection (c)(2), based on changes since the prior year in the Bureau of Labor Statistics Consumer Price Index for Medical Care in the San Francisco

Bay Area or average Health Maintenance Organization (HMO) premiums in California. The Health Director shall submit the proposed adjustments to the Controller by March 1. The Controller shall make appropriate adjustments to the hourly rate and weekly maximum fee without further action by the Board of Supervisors. The adjusted hourly rate and weekly maximum fee shall take effect on July 1.

~~*(d) Until January 1, 2027, with respect to each Covered Employee who is a San Francisco Airport Service Employee, each Contracting Party shall comply with this Article 121 by providing health care benefits, making contributions to medical reimbursement accounts, or making Irrevocable Health Care Expenditures, as set forth in subsections (d)(1)-(d)(3), at the Contracting Party's option. As stated in subsection (e), starting on January 1, 2027, only the option of making Irrevocable Health Care Expenditures, as set forth in subsection (d)(3), will constitute compliance with this Article 121 by a Contracting Party with respect to each Covered Employee who is a San Francisco Airport Service Employee.*~~

~~*(1) **Health Care Benefits**.*~~

~~*(A) The health benefits shall include at least one plan that: (i) is offered at no cost to the Covered Employee, (ii) provides a level of coverage that is designed to provide benefits that are actuarially equivalent to at least 90% of the full actuarial value of the benefits provided under the plan, and (iii) provides coverage for all services described in the California Essential Health Benefit Benchmark Plan.*~~

~~*(B) A Contracting Party may offer additional health benefit plans, provided that each such health benefit plan offered shall provide a level of coverage that is designed to provide benefits that are actuarially equivalent to at least 80% of the full actuarial value of the benefits provided under the plan and to provide coverage for all services as described in the California Essential Health Benefit Benchmark Plan. If the premium costs of such additional health benefit plan are greater than the premium costs of a plan offered under subsection (d)(1)(A), a Covered Employee electing such a health*~~

~~*benefit plan may be required to pay a portion of the premium costs. The Covered Employee's premium cost share shall be limited to not more than the difference between the premium costs of the most expensive plan offered under subsection (d)(1)(A) and the premium costs of the health benefit plan that the Covered Employee elects under this subsection (d)(1)(B).*~~

~~*(C) The maximum period for each Covered Employee's health benefits to become effective shall be no later than the first day of the first month after 30 days from the start of employment as a San Francisco Airport Service Employee; provided, however, that if a Contracting Party elects to make monthly contributions for a Covered Employee pursuant to subsection (d)(2), health benefits shall become effective no later than the first day after the Contracting Party ceases making such contributions.*~~

~~*(D) The Covered Employee's health benefits shall, at a minimum, cover the Covered Employee, the Covered Employee's spouse or registered domestic partner, and the Covered Employee's child, which shall include any legally adopted child, recognized natural child, stepchild, foster child, and minor legal ward. Coverage for a child must be made available until the child reaches the age of 26, in accordance with 42 U.S.C. § 300gg-14(a), as may be amended from time to time.*~~

~~*(E) Notwithstanding the Operative Date of Ordinance No. 235-20, if a Contracting Party elects to comply with this subsection (d) by providing health benefits under subsection (d)(1), such health benefits shall not be required to be in effect prior to April 1, 2021.*~~

~~*(2) Contributions to a Medical Reimbursement Account. For each Week in which the Covered Employee works any hours as a San Francisco Airport Service Employee, make contributions for that Employee as specified below into an account established under Section 21.2 of the Labor and Employment Code, as may be amended from time to time.*~~

~~*(A) Contributions made pursuant to this subsection (d)(2) shall be $9.50 per hour, but not to exceed $380 in any Week, as of the operative date of Ordinance No. 235-20.*~~

~~*(B) Beginning with Fiscal Year 2022-2023, and for each following fiscal year, the Health*~~

~~*Director shall propose adjustments to the hourly rate and weekly maximum fee provided in this subsection (d)(2), based on changes since the prior year in the Bureau of Labor Statistics Consumer Price Index for Medical Care in the San Francisco Bay Area or in average Health Maintenance Organization premiums in California. The Health Director shall submit the proposed adjustments, together with proposed adjustments under subsection (a)(2), to the Controller by March 1. The Controller shall make appropriate adjustments to the hourly rate and weekly maximum fee without further action by the Board of Supervisors. The adjusted hourly rate and weekly maximum fee shall take effect on July 1.*~~

~~*(3) **Irrevocable Health Care Expenditures.** Make Irrevocable Health Care Expenditures to or on behalf of each San Francisco Airport Service Employee.*~~

~~*(A) For purposes of this subsection (d)(3), the minimum Irrevocable Health Care Expenditure rate is as follows:*~~

~~*(i) Before January 1, 2027:*~~

~~*a. For a San Francisco Airport Service Employee with no Health Care Dependents, $6.17 per hour worked, but not to exceed $246.80 in any Week;*~~

~~*b. For a San Francisco Airport Service Employee with one Health Care Dependent, $12.33 per hour worked, but not to exceed $493.20 in any Week;*~~

~~*c. For a San Francisco Airport Service Employee with two or more Health Care Dependents, $17.44 per hour worked, but not to exceed $697.60 in any Week.*~~

~~*(ii) Each calendar year, the Health Director shall propose adjustments to the hourly rate and weekly maximum Irrevocable Health Care Expenditure rate provided in this subsection (d)(3)(A) for the next calendar year based on changes since the prior year in the Bureau of Labor Statistics Consumer Price Index for Medical Care in the San Francisco Bay Area or in average Health Maintenance Organization premiums in California. The Health Director shall submit the proposed adjustments for the next calendar year, together with proposed adjustments under Section 121.3(a)(2),*~~

~~*to the Controller by June 1 of the year before the proposed change is to go into effect. The Controller shall make appropriate adjustments to the hourly rate and weekly maximum fee without further action by the Board of Supervisors. The adjusted hourly rate and weekly maximum Irrevocable Health Care Expenditure rate shall take effect on the following January 1 each year.*~~

~~*(B) Where a Contracting Party complies with this subsection (d)(3) in full or in part by making payments to the City to provide for a Medical Reimbursement Account, the payment to the City shall be due no later than 30 days after the end of the quarter of the year in which the hours were worked by the San Francisco Airport Service Employee.*~~

(d) ***San Francisco Airport Service Employees.***

(1) Each Contracting Party shall make Irrevocable Health Care Expenditures to or on behalf of each San Francisco Airport Service Employee for each hour worked (capped at 40 hours per week) at a rate equal to the rate set forth in subsection (a)(2) plus $2.00 per hour.

(A) ***Example.*** *By way of example only, at a time when the current rate (as adjusted annually) set forth of subsection (a)(2) is $7.50 per hour, the Irrevocable Health Care Expenditure rate in this subsection (d) would be $9.50 per hour worked capped at 40 hours in a week, and the maximum required Irrevocable Health Care Expenditure would be $380 per week ($9.50 rate multiplied by 40 hours).*

(B) ***No Cap on Benefits.*** *Nothing in this subsection (d)(1) shall be construed to prevent or limit a Contracting Party from providing Irrevocable Health Care Expenditures that exceed the rate set forth in this subsection (d)(1).*

(C) ***Timing for Medical Reimbursement Account Payments.*** *Where a Contracting Party complies with this subsection (d)(1) in full or in part by making payments to the City to provide for a Medical Reimbursement Account, the payment to the City shall be due no later than 30 days after the end of the quarter of the year in which the hours were worked by the San Francisco Airport Service Employee.*

(2) A Contracting Party need not comply with the Irrevocable Health Care Expenditure requirement set forth in subsection (d)(1) for hours worked during any period of time in which the Contracting Party can demonstrate that it has offered the San Francisco Airport Service Employee at least one Cost-Efficient Health Insurance Plan. A Contracting Party that offers at least one Cost-Efficient Health Insurance Plan may also offer other health insurance plans without impacting the Contracting Party's compliance with this subsection (d). For any San Francisco Airport Service Employee who declines the Cost-Efficient Health Insurance Plan, whether because the employee selects an alternative health insurance plan or because the employee elects to decline coverage entirely, the Contracting Party must demonstrate their compliance with this subsection (d)(2), consistent with subsection (e) below.

~~*(e) Offer health plan benefits to the Covered Employee and the Covered Employee's dependents, with the following features:*~~

~~*(A) The health benefits shall include at least one plan that: (i) is offered at no cost to the Covered Employee, (ii) provides a level of coverage that is designed to provide benefits that are actuarially equivalent to at least 90% of the full actuarial value of the benefits provided under the plan, and (iii) provides coverage for all services described in the California Essential Health Benefit Benchmark Plan.*~~

~~*(B) A Contracting Party may offer additional health benefit plans, provided that each such health benefit plan offered shall provide a level of coverage that is designed to provide benefits that are actuarially equivalent to at least 80% of the full actuarial value of the benefits provided under the plan and to provide coverage for all services as described in the California Essential Health Benefit Benchmark Plan. If the premium costs of such additional health benefit plan are greater than the premium costs of a plan offered under subsection (d)(1)(A), a Covered Employee electing such a health benefit plan may be required to pay a portion of the premium costs. The Covered Employee's premium cost share shall be limited to not more than the difference between the premium costs of the most*~~

~~*expensive plan offered under subsection (d)(1)(A) and the premium costs of the health benefit plan that the Covered Employee elects under this subsection (d)(1)(B).*~~

~~*(C) The maximum period for each Covered Employee's health benefits to become effective shall be no later than the first day of the first month after 30 days from the start of employment as a San Francisco Airport Service Employee; provided, however, that if a Contracting Party elects to make monthly contributions for a Covered Employee pursuant to subsection (d)(2), health benefits shall become effective no later than the first day after the Contracting Party ceases making such contributions.*~~

~~*(D) The Covered Employee's health benefits shall, at a minimum, cover the Covered Employee, the Covered Employee's spouse or registered domestic partner, and the Covered Employee's child, which shall include any legally adopted child, recognized natural child, stepchild, foster child, and minor legal ward. Coverage for a child must be made available until the child reaches the age of 26, in accordance with 42 U.S.C. § 300gg-14(a), as may be amended from time to time.*~~

~~*(E) Notwithstanding the Operative Date of Ordinance No. 235-20, if a Contracting Party elects to comply with this subsection (d) by providing health benefits under subsection (d)(1), such health benefits shall not be required to be in effect prior to April 1, 2021.*~~

~~*(2) Contributions to a Medical Reimbursement Account. For each Week in which the Covered Employee works any hours as a San Francisco Airport Service Employee, make contributions for that Employee as specified below into an account established under Section 21.2 of the Labor and Employment Code, as may be amended from time to time.*~~

~~*(A) Contributions made pursuant to this subsection (d)(2) shall be $9.50 per hour, but not to exceed $380 in any Week, as of the operative date of Ordinance No. 235-20.*~~

~~*(B) Beginning with Fiscal Year 2022-2023, and for each following fiscal year, the Health Director shall propose adjustments to the hourly rate and weekly maximum fee provided in this subsection (d)(2), based on changes since the prior year in the Bureau of Labor Statistics Consumer*~~

~~*Price Index for Medical Care in the San Francisco Bay Area or in average Health Maintenance Organization premiums in California. The Health Director shall submit the proposed adjustments, together with proposed adjustments under subsection (a)(2), to the Controller by March 1. The Controller shall make appropriate adjustments to the hourly rate and weekly maximum fee without further action by the Board of Supervisors. The adjusted hourly rate and weekly maximum fee shall take effect on July 1.*~~

~~*(3) Irrevocable Health Care Expenditures. Make Irrevocable Health Care Expenditures to or on behalf of each San Francisco Airport Service Employee.*~~

~~*(A) For purposes of this subsection (d)(3), the minimum Irrevocable Health Care Expenditure rate is as follows:*~~

~~*(i) Before January 1, 2027:*~~

~~*a. For a San Francisco Airport Service Employee with no Health Care Dependents, $6.17 per hour worked, but not to exceed $246.80 in any Week;*~~

~~*b. For a San Francisco Airport Service Employee with one Health Care Dependent, $12.33 per hour worked, but not to exceed $493.20 in any Week;*~~

~~*c. For a San Francisco Airport Service Employee with two or more Health Care Dependents, $17.44 per hour worked, but not to exceed $697.60 in any Week.*~~

~~*(ii) Each calendar year, the Health Director shall propose adjustments to the hourly rate and weekly maximum Irrevocable Health Care Expenditure rate provided in this subsection (d)(3)(A) for the next calendar year based on changes since the prior year in the Bureau of Labor Statistics Consumer Price Index for Medical Care in the San Francisco Bay Area or in average Health Maintenance Organization premiums in California. The Health Director shall submit the proposed adjustments for the next calendar year, together with proposed adjustments under Section 121.3(a)(2), to the Controller by June 1 of the year before the proposed change is to go into effect. The Controller shall make appropriate adjustments to the hourly rate and weekly maximum fee without further action*~~

~~*by the Board of Supervisors. The adjusted hourly rate and weekly maximum Irrevocable Health Care Expenditure rate shall take effect on the following January 1 each year.*~~

~~*(B) Where a Contracting Party complies with this subsection (d)(3) in full or in part by making payments to the City to provide for a Medical Reimbursement Account, the payment to the City shall be due no later than 30 days after the end of the quarter of the year in which the hours were worked by the San Francisco Airport Service Employee.*~~

~~*(e) Beginning on January 1, 2027, Contracting Parties employing San Francisco Airport Service Employees shall no longer have the option of complying with this Article 121 by providing benefits or making contributions, as set forth in subsections (d)(1)-(d)(2), and shall comply with this Article 121 only by making Irrevocable Health Care Expenditures, as set forth in subsection (d)(3).*~~

~~(f)~~*(e)* ***Employee Waivers.*** A Covered Employee may voluntarily waive an offer of health plan benefits under this Section 121.3 using a waiver form approved by the Agency upon providing the Contracting Party proof of current health plan coverage. With respect to subsection (d)~~*(2)*~~, such proof of current health plan coverage must include the Covered Employee's Health Care Dependents. The Contracting Party must retain voluntary waiver forms and proof of health plan coverage for three years and must provide the Agency access to them upon request. Where a Contracting Party is subject to the requirements in subsection (d)*(1)* ~~*(3)*~~ of this Section 121.3 and secures a voluntary waiver from a San Francisco Airport Service Employee with respect to health plan coverage offered to the Contracting Party's similarly-situated San Francisco Airport Service Employees, it may deduct the amount of the premiums that the employer would have paid if the San Francisco Airport Service Employee accepted the coverage offered from the applicable minimum Irrevocable Health Care Expenditure rate. The Contracting Party remains responsible to make Irrevocable Health Care Expenditures for the remaining amounts that are not covered by the waiver.

~~*(g)*~~*(f)* When preparing proposed budgets and requests for supplemental

appropriations for contract services, City departments that regularly enter into agreements for the provision of services by nonprofit corporations shall transmit with their proposal a written confirmation that the department has considered in its calculation the costs that the nonprofit corporations calculate that they will incur in complying with the Health Care Accountability Ordinance.

~~(h)~~(g) Notwithstanding the above subsections in this section 121.3, if, at the time a Contract, Subcontract, Lease, or Sublease is executed, the Contracting Party has 20 or fewer employees (or, in the case of a Nonprofit Corporation, 50 or fewer employees), including any employees the Contracting Party plans to hire to implement the Contract, Subcontract, Lease, or Sublease, the Contracting Party shall not be obligated to provide the Health Care Accountability Components set forth in subsections (a), (b), or (c) to its Covered Employees. In determining the number of employees had by a Contracting Party, all employees of all entities that own or control the Contracting Party and that the Contracting Party owns or controls, shall be included.

Section 3. Severability. If any section, subsection, sentence, clause, phrase, or word of this ordinance, or any application thereof to any person or circumstance, is held to be invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions or applications of the ordinance. The Board of Supervisors hereby declares that it would have passed this ordinance and each and every section, subsection, sentence, clause, phrase, and word not declared invalid or unconstitutional without regard to whether any other portion of this ordinance or application thereof would be subsequently declared invalid or unconstitutional.

Section 4. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors

intends to amend only those words, phrases, paragraphs, subsections, sections, articles, numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal Code that are explicitly shown in this ordinance as additions, deletions, Board amendment additions, and Board amendment deletions in accordance with the "Note" that appears under the official title of the ordinance.

Section 5. Effective Date; Operative Date.

(a) This ordinance shall become effective on the 31st day after enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board of Supervisors overrides the Mayor's veto of the ordinance.

(b) This ordinance shall become operative on its effective date or on January 1, 2027, whichever date is later.

APPROVED AS TO FORM:
DAVID CHIU, City Attorney

By: /s/ Ian H. Eliasoph
IAN H. ELIASOPH
Deputy City Attorney

4918-8220-6144, v.1

City and County of San Francisco
Tails
Ordinance

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 260874 **Date Passed:** October 06, 2026

Ordinance amending the Labor and Employment Code to revise the Healthy Airport Ordinance to modify, beginning on the later of January 1, 2027, or the effective date of this Ordinance, contracting parties' obligations for providing minimum health care expenditures to certain airport workers.

September 17, 2026 Government Audit and Oversight Committee - RECOMMENDED

September 29, 2026 Board of Supervisors - PASSED, ON FIRST READING

Ayes: 11 - Chan, Chen, Dorsey, Fielder, Mahmood, Mandelman, Melgar, Sauter, Sherrill, Walton and Wong

October 06, 2026 Board of Supervisors - FINALLY PASSED

Ayes: 11 - Chan, Chen, Dorsey, Fielder, Mahmood, Mandelman, Melgar, Sauter, Sherrill, Walton and Wong

File No. 260874

I hereby certify that the foregoing Ordinance was FINALLY PASSED on 10/6/2026 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Daniel Lurie
Mayor

10/16/2026
Date Approved