MEMORANDUM  
June 23, 2015

TO: Honorable Members of the Economic Development Committee

FROM: Steven M. Zimmerman, Esq., and Margo A. Feinberg, Esq., of Schwartz, Steinsapir, Dohrmann & Sommers LLP, on behalf of the Los Angeles Alliance for a New Economy

(Assignment No. 15-06-0492; Council File No. 14-371)

Founded in 1993, the Los Angeles Alliance for a New Economy ("LAANE") is recognized as a national leader in the effort to address the challenges of working poverty, inadequate health care and polluted communities. As a result of LAANE's mission it is very thankful for the Economic Development Committee's ("the Committee") efforts with respect to the policy work it has accomplished thus far concerning compensated and uncompensated time off. LAANE is supportive of the City adopting a policy that guarantees workers the right to earned sick leave throughout the City, and ensures that workers can use sick leave without fear of jeopardizing their job security.

Indeed, LAANE has tracked the Committee's efforts and progress and has had an opportunity to review the Report of the Chief Legislative Analyst that was published on June 19, 2015. In reviewing the Report, LAANE has identified a few items that may have been inadvertently omitted from it. As such, LAANE would like to take this
opportunity to clarify the record for the Committee and discuss these particular items since they will be germane to the policy discussion in the future.

1. **“Rolling-Over” Compensated Time Off in San Francisco and Oakland**

   On Table 1 of the Report, listed on page 3, the chart compares the “roll-over” policies of San Francisco and Oakland, i.e., the ability of an employee to carry over any unused compensated time off to the following year. The chart states that both the San Francisco and Oakland policies are "silent" in this regard. However, this is actually not the case, as both policies permit employees to “roll-over” unused days. Indeed, Section 12.W.3(c) of San Francisco's Administrative Code provides the following:

   (c) For employees of small businesses, there shall be a cap of 40 hours of accrued paid sick leave. For employees of other employers, there shall be a cap of 72 hours of accrued paid sick leave. **Accrued paid sick leave for employees carries over from year to year (whether calendar year or fiscal year), but is limited to the aforementioned caps.**

   (emphasis added). Section 5.92.030(A)(3) of Oakland's Administrative Code contains almost identical language:

   2. For Employees of Small Businesses, there shall be a cap of 40 hours of accrued Paid Sick Leave. For Employees of other Employers, there shall be a cap of 72 hours of accrued Paid Sick Leave. **Accrued Paid Sick Leave for Employees carries over from year to year (whether calendar year or fiscal year), but is limited to the aforementioned cap. Nothing herein precludes an Employer from establishing a higher cap or no cap on the number of accrued hours.** (emphasis added).

3. **The Part-Time Accrual Rate in San Francisco and Oakland**

   With respect to San Francisco and Oakland, Table 1 also states under "Part-time Accrual Rate" that a "Proportionate" rate is provided for in both San Francisco and Oakland. However, both of these ordinances are silent with respect to a part-time accrual rate.

4. **The Maximum Accrual Cap Under the State Law**
Table 1 also states that under the State law, the “Maximum Accrual (Cap)” is 48 hours or 6 days. However, under Section 246(d)-(e), an employer is actually within its rights to limit an employee’s sick leave to 24 hours:

(d) Accrued paid sick days shall carry over to the following year of employment. However, an employer may limit an employee’s use of paid sick days to 24 hours or three days in each year of employment. This section shall be satisfied and no accrual or carry over is required if the full amount of leave is received at the beginning of each year, in accordance with subdivision (e).

(e) An employer is not required to provide additional paid sick days pursuant to this section if the employer has a paid leave policy or paid time off policy, the employer makes available an amount of leave that may be used for the same purposes and under the same conditions as specified in this section, and the policy does either of the following:

1. Satisfies the accrual, carry over, and use requirements of this section.

2. Provides no less than 24 hours or three days of paid sick leave, or equivalent paid leave or paid time off, for employee use for each year of employment or calendar year or 12-month basis.”

(emphasis added) The above-referenced text also highlights another issue; the State law permits an employer to prohibit an employee from “rolling-over” unused sick days in certain circumstances. Thus, the State law does not necessarily permit an employee to “roll-over” unused days, as stated in Table A, if an employer first satisfies the factors listed in Section 246(d) discussed above.

5. Conclusion

This concludes our list of items that we felt deserved an opportunity to be clarified for the record before the policy discussion advances. If the Committee desires further research or summaries on the comparative ordinances listed in the report, we would be happy to provide them at the City Council’s request.
Overview of Paid Sick Time Laws in the United States

Three states and 18 cities across the United States have paid sick time laws on the books. This document provides an overview and comparison of these laws.1

Section I provides a comparison of statewide paid sick time laws.
Section II provides a comparison of paid sick time laws that have been passed at the city level.
Section III provides a brief overview of additional paid sick time laws that are narrower than the ones covered in this chart.

<table>
<thead>
<tr>
<th>I. Statewide Paid Sick Time Laws</th>
<th>California2</th>
<th>Massachusetts3</th>
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<tbody>
<tr>
<td><strong>Who is covered?</strong></td>
<td>Hourly workers in certain enumerated service occupations are covered, if they work for a business with 50 or more employees. Certain manufacturers and non-profit organizations are exempted, as are temporary and day laborers.</td>
<td>Workers employed in California for 30 or more days a year after commencement of employment, including public workers, are covered. Workers who provide in-home supportive care are exempted. Flight deck/cabin crews subject to Railway Labor Act with comparable paid time off are exempted.</td>
</tr>
<tr>
<td><strong>Can sick time be used to care for loved ones?</strong></td>
<td>Yes, children and spouses</td>
<td>Yes, children, parents, grandparents, siblings, registered domestic partners, and stepchildren</td>
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<tr>
<td><strong>How is “child” defined?</strong></td>
<td>Biological, foster, or adopted children, stepchildren, legal wards, or the child of a worker standing in loco parentis to the child. The child must be under 18 or 18 years of age and older but incapable of self-care because of a mental/physical disability.</td>
<td>Biological, adopted, or foster child, stepchild, legal ward, or the child of a worker standing in loco parentis to the child.</td>
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<tr>
<td><strong>Are specific domestic violence purposes included (“safe time”) for time off to attend to medical/health issues like any other workers?</strong></td>
<td>Yes, but only when the worker is a victim of family violence or sexual assault</td>
<td>Yes, when the worker is a victim of domestic violence, sexual assault, or stalking</td>
</tr>
<tr>
<td><strong>Rate of paid sick time accrual?</strong></td>
<td>1 hour for every 40 hours worked</td>
<td>1 hour for every 30 hours worked</td>
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<tr>
<td><strong>Amount of paid sick time that can be earned under the law per year?</strong></td>
<td>Up to 40 hours a year</td>
<td>Up to 24 hours or 3 days</td>
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## II. City-Level Paid Sick Time Laws

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<tr>
<td><strong>Who is covered?</strong></td>
<td>Workers employed within the geographic boundaries of the City are covered.</td>
<td>Individuals employed by an employer within Washington, D.C. The following individuals are exempted: independent contractors, students, health care workers choosing to participate in a premium pay program; unpaid volunteers engaged in the activities of an educational, charitable, religious, or nonprofit organization; and casual babysitters.</td>
<td>Workers employed by a business with more than 4 employees, if they perform more than 240 hours of work in Seattle within a calendar year, are covered. Work-study students are exempted.</td>
<td>Workers who have worked within NYC for more than 90 hours in a calendar year are covered.</td>
<td>Workers employed in Jersey City for at least 80 hours in a year are covered.</td>
<td>Workers employed in the relevant city (Newark, Passaic, East Orange, Paterson, Irvington, Trenton, Montclair or Bloomfield) for at least 90 hours in a year are covered.</td>
<td>Workers employed by any government or a New Jersey School District or Board of Education are covered.</td>
<td>Workers who, in a particular term of employment, perform at least 2 hours of work within the geographic boundaries of the City and who are entitled to minimum wage under California law are covered.</td>
<td>Workers employed in Tacoma are covered, but must perform work in Tacoma for more than 80 hours within a calendar year.</td>
<td>Workers employed in Philadelphia for at least 40 hours in a calendar year are covered. City workers are covered. The following workers are exempted: independent contractors, seasonal workers (hired for a temporary period of not more than 16 weeks a year); adjunct professors; interns (students working for the institution where enrolled); workers hired for a term of less than 6 months; workers covered by a bona fide collective bargaining agreement; and health care professionals who only work when indicating they are available and have no obligation to work when they do not indicate availability.</td>
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<tr>
<td><strong>Can sick time be used to care for loved ones?</strong></td>
<td>Yes: children; parents; siblings; grandparents; domestic partners, and, if a worker has no spouse/domestic partner, a designated person of the worker’s choice</td>
<td>Yes: children; grandchildren; spouse of children; siblings; spouses of siblings; parents; parents of a spouse/domestic partner; parent, a (mutual, familial) relationship and has shared a mutual residence for at least the preceding 12 months</td>
<td>Yes: children; parents; parents-in-law; grandparents; domestic partners (under State law); parent, a (mutual, familial) relationship and has shared a mutual residence for at least the preceding 12 months</td>
<td>Yes: children; parents; parents-in-law; grandparents; domestic partners (under State law); parent, a (mutual, familial) relationship and has shared a mutual residence for at least the preceding 12 months</td>
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<td>Yes: children; parents; parents-in-law; grandparents; domestic partners (under State law); parent, a (mutual, familial) relationship and has shared a mutual residence for at least the preceding 12 months</td>
<td>Yes: children; parents; parents-in-law; grandparents; domestic partners (local or state registries)</td>
<td>Yes: children; parents; parents-in-law; grandparents; domestic partners; local or state registries</td>
<td>Yes: children; parents; parents-in-law; grandparents; domestic partners; local or state registries</td>
<td>Yes: children; parents; parents-in-law; grandparents; domestic partners; local or state registries</td>
</tr>
<tr>
<td><strong>How is “child” defined?</strong></td>
<td>Legal guardians or wards; children from biological, adoptive, foster, care, and step-relationships; children of a domestic partner; or the child of a worker standing in loco parentis to the child</td>
<td>Biological children, foster children, grandchildren, or a child who lives with the worker and for whom the worker permanently assumes and discharges parental responsibility</td>
<td>Biological, adopted or foster children, stepchildren, legal wards, or the child of a worker standing in loco parentis. The child must be under 18 years of age or 18 but older but incapable or self-care because of a mental/physical disability</td>
<td>Biological, adopted or foster children, stepchildren, legal wards, or the child of a worker standing in loco parentis to the child</td>
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</tr>
<tr>
<td><strong>Are specific domestic violence purposes included (“safe time”) for time off to obtain protective orders, relocate, etc.?</strong></td>
<td>No</td>
<td>Yes, for both worker and worker’s family members</td>
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*Note: Victims of domestic violence can use sick time to attend to medical/health issues like any other workers.*
### Rate of paid sick time accrual

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<tr>
<td>Rate of paid sick time accrual</td>
<td>1 hour for every 30 hours worked</td>
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<td>1 hour for every 30 hours worked within the city</td>
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<td>1 hour for every 40 hours worked</td>
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#### Amount of paid sick time that can be earned under the law per year?

- **Workers in businesses with 10 or more workers:** up to 40 hours a year.
- **Workers in businesses with fewer than 10 workers:** up to 40 hours a year.
- **Workers in businesses with 24 or fewer workers:** up to 24 hours a year.
- **Workers in businesses with 25-99 workers:** up to 40 hours a year.
- **Workers in businesses with 100 or more employees:** up to 72 hours a year. The number of workers is determined by the average monthly number of full-time equivalents in the prior year.

#### When does paid sick time begin to accrue?

- **Accrual begins at commencement of employment.**
- **Accrual begins at commencement of employment, but paid sick time can’t be used until the 180th calendar day after employment commenced.**
- **Accrual begins at commencement of employment, but paid sick time can’t be used until after 90 days of service with his or her employer.**
- **Accrual begins on the first day of employment, but paid sick time can’t be used until the 120th calendar day after employment commenced.**
- **Accrual begins on the first day of employment, or July 1, 2015, whichever is later.**
- **Accrual begins on the first day of employment, or July 1, 2015, whichever is later.**
- **Accrual begins on the first day of employment, or March 2, 2015, whichever is later.**

#### Last Updated March 10, 2015
|--------------|----------------|---------|-----------------|---------------|---------------|---------------------------------|---------------|-------------|----------------|------------|
| Are there waivers or exemptions for workers covered by a valid Collective Bargaining Agreement (CBA)?

All or any part of the law doesn’t apply to workers covered by a CBA to the extent that the CBA expressly waives the requirements in clear and unambiguous terms. Otherwise, the law’s paid sick time requirements can’t be waived in the written terms of a CBA for less than 3 paid leave days. The law’s provisions don’t apply to workers covered by a CBA to the extent that the CBA expressly waives the requirements in clear and unambiguous terms. The law’s provisions don’t apply to workers covered by a CBA to the extent that the CBA expressly waives the requirements in clear and unambiguous terms. The law’s provisions don’t apply to workers covered by a CBA to the extent that the CBA expressly waives the requirements in clear and unambiguous terms. Members of a construction union covered by a CBA are exempted. Otherwise, all or any part of the law’s requirements do not apply to workers covered by a CBA to the extent that the CBA expressly waives the requirements in clear and unambiguous terms. Workers in the building and construction industry whose terms and conditions of employment are covered by a CBA are exempted. The law’s provisions won’t apply to any workers covered by a CBA to the extent that the CBA expressly waives the requirements in clear and unambiguous terms.

| Private Right of Action to go to Court? | Yes | Yes | Yes | No | Yes | Yes | Yes, after presenting the claim to the appropriate administrative agency | Yes | No | Yes. Can go directly to court in the first 120 days after law's effective date. After that, workers may go to Court but only after receiving a final decision from the agency or 160 days after filing a complaint, whichever is earlier. | The Mayor shall designate the agency. |

| What Agency or Official Enforces the Bill? | San Francisco Office of Labor Standards Enforcement | Washington D.C. Office of Labor & Industries | Seattle Office for Civil Rights | New York City Department of Consumer Affairs | Jersey City Department of Health & Human Services | Newark, Passaic, East Orange, Paterson, Irvington, Teterboro, Morristown, and Bloomfield are enforced by the relevant city’s Municipal Department of Health and Human Services | City Manager may delegate authority to City staff or may contract with Oregon Bureau of Labor & Industries or another entity | No specific agency authorized. The Council can adopt certain regulations, the City Administrator is authorized to prepare and distribute the law’s requirements to employees, and authorized City representatives may investigate complaints and monitor compliance. | The Finance or his designee. | The Mayor shall designate the agency. |

* All of these paid sick time laws include language making it clear that these laws establish a minimum requirement and employers can receive greater paid sick time rights through a contract, CBA, employment benefits plan, policy, standard, or other agreement.
Please note that this chart does not provide an exhaustive overview of these paid sick time laws. It is possible that additional provisions not described in this fact sheet may apply to a worker's specific circumstances or category of employment.

On August 29, 2014, the California Legislature passed a statewide paid sick time law, and the Governor signed it into law on September 9, 2014. The law will take effect in July 2015. The California statewide law explicitly states that it establishes minimum requirements on sick time and does not preempt or limit other laws or policies that provide for greater accrual or use of paid sick time. Therefore, the more expansive San Francisco and Oakland (and San Diego, once passed, as described on the following page) paid sick time laws will still apply to workers covered by those laws, and other cities in California may continue to pass broader paid sick time laws.

On November 4, 2014, nearly 60% of voters in Massachusetts approved a statewide ballot measure to guarantee paid sick time. The law will take effect on July 1, 2015.

Paid sick time laws are now in effect in the following New Jersey cities: Jersey City, Newark, Passaic, East Orange, Paterson, Irvington, and Montclair. Trenton's paid sick time law is expected to go into effect on April 9, 2015. On March 2, 2015, the Bloomfield Township Council unanimously passed a paid sick time law with mayoral support. The law will take effect 120 days later.

The Eugene City Council adopted the paid sick time ordinance on July 28, 2014, and it was signed into law the following day. The law will go into effect on July 1, 2015.

On January 27, 2015, the Tacoma City Council passed a paid sick time law by a vote of 8-1. The law will take effect on February 1, 2016.

On February 12, 2015, the City Council of Philadelphia passed a paid sick time law, and the Mayor signed it the same day. The law will take effect 90 days later.

Additional Paid Sick Time Laws

In July 2014, the San Diego City Council passed a paid sick time and minimum wage ordinance and then voted to override the mayor's veto of the ordinance on August 18, 2014. However, opponents collected signatures to put the paid sick time and minimum wage ordinance to a vote in a referendum, so implementation of the law will be delayed until a vote in June 2016. Once the San Diego paid sick time law is passed, city workers and most private-sector workers will be entitled to accrue and use up to 40 hours of paid sick time a year to recover from their own illness, care for sick family members, or address certain needs related to domestic violence, sexual assault or stalking.

In October 2014, Los Angeles approved an ordinance guaranteeing paid sick time to certain hotel workers in the city. Under the law, hotels with 150 or more rooms must allow certain non-manual/non-supervisory full-time workers to accrue up to 96 hours of paid time off per year (for sick leave, vacation, or personal necessity use) and, following use of that time, up to 80 hours of additional unpaid sick time for personal or immediate family health needs. Covered part-time hotel workers will accrue time proportionally.
In November 2013, voters in SeaTac, Washington passed a law that gives certain hospitality and transportation workers a variety of new labor rights, including the right to earn paid sick time (at a rate of 1 hour for every 40 hours worked). Covered employers are required to pay eligible workers a lump sum payment at the end of the calendar year equivalent to the compensation due for any unused compensated time. The law also raises the minimum wage for these workers, gives them a right to keep their tips, and requires hospitality and transportation employers to offer additional hours to part-time employees before they may hire new part-time staff. The initiative went into effect on January 1, 2014 for many covered workers, but it has been held up in litigation as applied to those working at the Sea-Tac International Airport.

In November 2012, the voters of Long Beach, California approved a measure to guarantee a living wage and paid sick time to certain hotel workers in the city. Under the law, hotels with 100 or more rooms are required to pay workers a minimum of $13 an hour (adjusted for increases in the federal minimum wage or cost of living) and allow workers to earn a minimum of 5 paid sick days a year.

For more detailed information on the sick time laws and bills described in this document, see:

- Seattle Office for Civil Rights: http://www.seattle.gov/civilrights/SickLeave.htm
- Connecticut Department of Labor: http://www.ctdol.state.ct.us/vgwksnrd/SickLeave.htm
- Portland, Oregon Municipal Website: https://www.portlandoregon.gov/sicktime/
- New York City Department of Consumer Affairs Website: http://www.nyc.gov/PaidSickLeave and A Better Balance’s website: http://www.abetterbalance.org/web/nycpaysick
- Jersey City Municipal Website: http://www.jerseycitynj.gov/business.aspx?id=13851
- Newark Municipal Website: http://www.ci.newark.nj.us/business/paid_sick_time_ordinance.php
- SeaTac Municipal Website: http://www.ci.seattl.wa.us/index.aspx?page=681
- Eugene, Oregon Municipal Website: http://www.eugene-oregon.gov/sickleave