



THE CITY OF SAN DIEGO  
**REPORT TO THE CITY COUNCIL**

DATE ISSUED: March 19, 2014 REPORT NO: 14-029

ATTENTION: Economic Development and Intergovernmental Relations Committee

SUBJECT: Improving Wages and Working Conditions in San Diego

REFERENCE: Memorandum dated March 12, 2014 from Council President Gloria, Council President Pro Tem Lightner, Councilmember Cole, and Councilmember Emerald regarding Improving Wages and Working Conditions in San Diego; Institute for Women's Policy Research: Access To Earned Sick Leave in San Diego (February 2014); Center on Policy Initiatives and United Way: Making Ends Meet (March 2014)

COUNCIL PRESIDENT GLORIA'S RECOMMENDATION:

Direct the City Attorney's Office to work with the Office of the Council President to review and bring back a DRAFT Ordinance for consideration at the April 30, 2014 Economic Development & Intergovernmental Relations Committee.

SUMMARY:

According to the report "*Access To Earned Sick Leave in San Diego*" conducted by the Institute for Women's Policy Research, access to earned sick days promotes healthy work environments by reducing the spread of illness, increasing productivity, and supporting work and family balance. The report clearly demonstrates that this is a problem across all industries and occupations in San Diego, as nearly half of San Diego's private workforce 44% lack access to a single earned sick day. 82% of workers in the food services industry the very people who touch our food lack earned sick days, and 3 out of 4 childcare workers lack access to earned sick days. If left unaddressed, the lack of earned sick days can reduce productivity in the workplace, increase the spread of disease in the workplace and the public at-large, and prevent parents from staying home to take care of a sick child. Latinos are most severely impacted with 55% lacking access to earned sick leave.

Further elaborating on the need to address basic workplace standards in the City of San Diego is the latest edition of the *Making Ends Meet* report, drafted by the Center on Policy Initiatives in conjunction with the United Way of San Diego County and Leichtag Foundation. The study examined the wages needed in San Diego County to reach the Self-Sufficiency standard a realistic measure of essential living expenses defined as housing, child care, food, transportation, health care, and taxes without relying on public or private sources of support. According to the report, a single San Diegan with no dependents needs to make an annual salary of \$27,655 to live at this level. This equates to an hourly wage of \$13.09/hour working

full-time year-round. This is well above the current statewide minimum wage of \$8 and the eventual \$10 minimum wage set to phase in on January 1, 2016.

According to the report, 38% of San Diego's households do not earn enough to meet their basic needs, up from 30% in 2007 before the recession. Even among households headed by a 'full time, year round worker, 24% were below the self-sufficiency standard's budget for basic needs. In households with at least two working adults, 27% still had too little income to meet basic needs.

A raise in San Diego's minimum wage would go a long way in helping those families make ends meet, and it would help the regional economy as studies show that when low-wage employees get a raise, they spend virtually every dollar close to home on basics such as food, housing, and transportation.

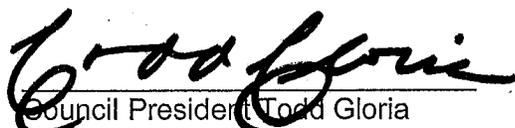
Providing every worker in San Diego with access to earned sick leave, and raising the city's minimum wage is a much needed solution to the challenges facing workers in our region.

In order to address these issues an ordinance must be drafted and placed on the November 2014 ballot for the voter's consideration. The proposed ballot measure shall include the following key policy metrics:

- Access to five days of earned sick leave for all employees in the City of San Diego, regardless of industry or business type;
- A meaningful increase in the minimum wage for all people working within the City of San Diego;
- A cost of living index attached to the minimum wage which shall be updated annually; and
- A phase-in period, with a slightly slower phase-in for small businesses and non-profits.

#### FISCAL CONSIDERATIONS:

Per Municipal Code Section 27.0506, after the matter is placed on the ballot the Mayor, Independent Budget Analyst, and the City Auditor shall prepare a fiscal impact analysis. The analysis shall include an estimate of the amount of any increase or decrease in revenues or costs to the City, or an option as to whether or not significant change in City finances would result if the proposed measure is adopted. The fiscal impact analysis must reasonably inform the voters of the proposed measure's fiscal impact, if any, and be true, impartial and not argumentative. The analysis shall then be printed in the voter pamphlet.

  
Council President Todd Gloria  
District Three



OFFICE OF COUNCIL PRESIDENT TODD GLORIA  
CITY OF SAN DIEGO

MEMORANDUM

DATE: March 12, 2014

TO: Honorable Mayor Kevin Faulconer  
Honorable City Councilmembers

FROM: Council President Todd Gloria  
Council President Pro Tem Sherril Lightner  
Councilmember Myrtle Cole  
Councilmember Marti Emerald

SUBJECT: Improving Wages and Working Conditions in San Diego

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Given the number of San Diego families below the poverty level, good jobs with earned benefits and wages are needed. Providing San Diegans with access to earned sick leave and raising the minimum wage will help assure these types of jobs.

We propose an initiative that addresses these issues that can be placed on the November 2014 General Election ballot for the voters' consideration.

The proposed ballot measure shall include the following:

- Access to five days of earned sick leave for all employees in the City of San Diego, regardless of industry or business type;
- A meaningful increase in the minimum wage for all people working within the City of San Diego;
- A cost of living index attached to the minimum wage which shall be updated annually; and
- A phase-in period, with a slightly slower phase-in for small businesses and non-profits.

We look forward to hearing from all community stakeholders including residents, workers, business owners, non-profits, and other key groups. This issue will be discussed at the Economic Development and Intergovernmental Relations Committee on March 24 at 9am in the Committee Room, located in City Administration Building, 12<sup>th</sup> Floor, 202 C Street, San Diego, CA 92101.

cc: Honorable City Attorney Jan Goldsmith  
Andrea Tevlin, Independent Budget Analyst  
Liz Maland, City Clerk