

ORDINANCE NUMBER O- 20390 (NEW SERIES)DATE OF FINAL PASSAGE AUG 18 2014

AN ORDINANCE AMENDING CHAPTER 3 OF THE
SAN DIEGO MUNICIPAL CODE BY ADDING ARTICLE 9,
DIVISION 1, SECTIONS 39.0101 THROUGH 39.0115
RELATING TO THE EARNED SICK LEAVE AND MINIMUM
WAGE TO BE PROVIDED TO EMPLOYEES WORKING IN
THE CITY OF SAN DIEGO.

WHEREAS, to safeguard the public welfare, health, safety, and prosperity of the people
in the City of San Diego, it is essential that working persons earn wages that ensure a decent and
healthy life; and

WHEREAS, a number of San Diego families live below the poverty level, and many who
are employed do not earn sufficient wages to be self-sufficient and do not accrue sick leave; and

WHEREAS, when businesses do not pay a livable wage or allow workers to earn and use
sick leave, the community and taxpayers bear associated costs in the form of increased demand
for taxpayer-funded services, including emergency medical services, homeless shelters, and
other social services and community-based services; and

WHEREAS, most workers at some time during each year need limited time off from
work to take care of their own health needs or the health needs of members of their families; and

WHEREAS, guaranteeing San Diego workers the right to earned sick leave will reduce
recovery time from illnesses, promote the use of regular medical providers rather than hospital
emergency departments, and reduce the likelihood of people spreading illness to other members
of the workforce and to the public; and

WHEREAS, an increase in the minimum wage paid to employees and five annual days of
sick leave could potentially increase workplace productivity, save costs through reduced

employee turnover, boost income for families, restore work/family balance, boost the local tax base through increased purchasing power by workers, and reduce certain health care costs; and

WHEREAS, the San Diego City Council (Council) considered this issue at meetings of a Council standing committee and of the full Council, and considered public comment on the issue; and

WHEREAS, the Council now desires to adopt an ordinance to amend Chapter 3, of the San Diego Municipal Code, by adding Article 9, Division 1, sections 39.0101 through 39.0115, relating to the Earned Sick Leave and Minimum Wage to be provided to employees working in the City of San Diego; NOW, THEREFORE,

BE IT ORDAINED, by the Council of the City of San Diego, as follows:

Section 1. That Chapter 3 of the San Diego Municipal Code is amended by adding Article 9, Division 1, sections 39.0101 through 39.0115, to read as follows:

Article 9: City of San Diego Earned Sick Leave and Minimum Wage

Division 1: City of San Diego Earned Sick Leave and Minimum Wage Ordinance

§39.0101 Purpose and Intent

This Division ensures that employees who work in the *City* receive a livable minimum wage and the right to take earned, paid sick leave to ensure a decent and healthy life for themselves and their families. By enabling more employees to support and care for their families through their own efforts and with less need for financial assistance from the government, and by protecting the rights of employees to care for their health and the health of their family members, the *City* can safeguard the general welfare, health, safety and prosperity of all San Diegans.

It is the purpose and intent in enacting this Division that San Diego workers be guaranteed the right to take earned sick leave. Most employees will at some time during each year need limited time off from work to take care of their own health needs or the health needs of members of their families. Guaranteeing employees earned sick leave will reduce recovery time from illnesses, promote the use of regular medical providers rather than hospital emergency departments, and reduce the likelihood of workers spreading illness to other members of the workforce and to the public.

It is also the purpose in enacting this Division to ensure that employees working in the *City* earn wages that ensure a decent and healthy life for themselves and their families. When employers do not pay a livable wage, the surrounding community and taxpayers bear costs in the form of increased demand for taxpayer-funded services, including homeless shelters. Jobs paying a decent wage will ensure a more stable workforce for the *City*, increase consumer income, decrease poverty, and invigorate neighborhood business.

§39.0102 Citation

This Division shall be cited as the City of San Diego Earned Sick Leave and Minimum Wage Ordinance.

§39.0103 Authority

This Division is adopted pursuant to the powers vested in the *City* under the Constitution and the laws of the State of California, including, but not limited to, the police powers vested in the *City* pursuant to Article XI, section 7 of the California Constitution and California Labor Code section 1205(b).

§39.0104 Definitions

Each word or phrase defined in this Division appears in the text of this Division in italicized letters. To the extent that a federal, state, or other law is referenced within this Division, the citation includes and incorporates the law as it may be amended or renumbered in the future. For purposes of this Division, the following definitions apply:

Benefit Year means a regular and consecutive twelve-month period, as determined by an *Employer*.

Child means a biological, adopted, or foster child; a stepchild; a legal ward; a child of a *Domestic Partner*; or a child of an *Employee* standing in loco parentis.

City means the City of San Diego.

City Council means the Council of the City of San Diego.

Domestic Partners mean two adults in a relationship recognized by the State of California by filing as domestic partners under California Family Code section 297, and who have registered as domestic partners with a governmental entity pursuant to state or local law authorizing such registration or with an internal registry maintained by the employer of at least one of the domestic partners.

Domestic Violence means “domestic violence” as defined in California Penal Code section 13700.

Earned Sick Leave means accrued increments of compensated leave provided by an *Employer* to an *Employee* as a benefit of the employment for use by the

Employee during an absence from the employment because of a qualifying medical condition or event, as specified in section 39.0106 of this Division.

Employee means any person who:

- (a) In one or more calendar weeks of the year performs at least two hours of work within the geographic boundaries of the *City* for an *Employer*; and
- (b) Qualifies as an employee entitled to payment of a minimum wage from any employer under the California minimum wage law, as set forth in the California Labor Code and wage orders published by the California Industrial Welfare Commission or the State of California Division of Labor Standards Enforcement, or is a participant in a State of California Welfare-to-Work Program.
- (c) *Employee* does not include any person who is authorized to be employed at less than the minimum wage under a special license issued under California Labor Code sections 1191 or 1191.5; any person employed under a publicly subsidized summer or short-term youth employment program, such as the San Diego County Urban Corps Program; or any student employee, camp counselor, or program counselor of an organized camp as defined in California Labor Code section 1182.4. *Employee* also does not include any person who is employed as an independent contractor as defined by the California Labor Code.

Employer means any person or persons, as defined in California Labor Code section 18, who exercises control over the wages, hours, or working conditions of any *Employee*, or suffers or permits the *Employee* to work, or engages the

Employee. *Employer* does not include a person receiving services under the California In-Home Supportive Services program pursuant to Welfare and Institutions Code section 12300.

Enforcement Office means the *City* Department or Office that the *City Council* designates to enforce this Division.

Family Member means a *Child*, *Spouse*, *Parent*, grandparent, grandchild, *Sibling*, or the *Child* or *Parent* of a *Spouse*.

Health Care Provider means any person licensed under federal or California law to provide medical or emergency services, including, but not limited to, doctors, nurses and emergency room personnel.

Minimum Wage means an hourly minimum rate to be paid to *Employees*, as defined in section 39.0107 of this Division.

Parent means a biological, foster, or adoptive parent; a step-parent; a legal guardian; or a person who stood in loco parentis when the *Employee* was a minor child.

Public Health Emergency means a state of emergency declared by any public official with the authority to do so, including officials with the *City*, the County of San Diego, the State of California, or the United States government.

Retaliation means any threat, discipline, discharge, demotion, suspension, reduction in *Employee* hours, or any other adverse employment action against any *Employee* for exercising or attempting to exercise any right guaranteed under this Division.

Safe Time means time away from work that is necessary due to *Domestic Violence, Sexual Assault, or Stalking*, provided the time is used to allow the *Employee* to obtain for the *Employee* or the *Employee's Family Member* one or more of the following:

- (a) Medical attention needed to recover from physical or psychological injury or disability caused by *Domestic Violence, Sexual Assault, or Stalking*;
- (b) Services from a victim services organization;
- (c) Psychological or other counseling;
- (d) Relocation due to the *Domestic Violence, Sexual Assault, or Stalking*; or
- (e) Legal services, including preparing for or participating in any civil or criminal legal proceeding related to or resulting from the *Domestic Violence, Sexual Assault, or Stalking*.

Sexual Assault means “rape” as defined in California Penal Code section 261 or “sexual battery” as defined by California Penal Code section 243.4.

Sibling means a brother or sister, whether related through half blood, whole blood, or adoption, or one who is a step-sibling.

Spouse means a person to whom an *Employee* is legally married under the laws of the State of California, or the *Employee's Domestic Partner*.

Stalking means the unlawful conduct described in California Penal Code section 646.9.

§39.0105 Accrual of Earned Sick Leave

- (a) *Employers* must provide *Earned Sick Leave* to their *Employees* in accordance with this Division.

- (b) *Employers* must provide an *Employee* with one hour of *Earned Sick Leave* for every thirty hours worked by the *Employee* within the geographic boundaries of the *City*, but *Employers* are not required to provide an *Employee* with *Earned Sick Leave* in less than one-hour increments for a fraction of an hour worked. *Earned Sick Leave* must be compensated at the same hourly rate or other measure of compensation as the *Employee* earns from his or her employment at the time the *Employee* uses the *Earned Sick Leave*.
- (c) An *Employer* required to provide *Earned Sick Leave* pursuant to this Division, who provides an *Employee* with an amount of paid leave, including paid time off, paid vacation, or paid personal days sufficient to meet the requirements of this section, and who allows such paid leave to be used for the same purposes and under the same conditions as *Earned Sick Leave* required pursuant to this Division, is not required to provide additional *Earned Sick Leave* to such *Employee*.
- (d) *Earned Sick Leave* begins to accrue at the commencement of employment or on April 1, 2015, whichever is later, and an *Employee* is entitled to begin using *Earned Sick Leave* on the ninetieth calendar day following commencement of his or her employment or on July 1, 2015, whichever is later. After the ninetieth calendar day of employment or after July 1, 2015, whichever is later, such *Employee* may use *Earned Sick Leave* as it is accrued.

- (e) *Employees* who are not covered by the overtime requirements of California law or regulations are assumed to work forty hours in each work week for purposes of *Earned Sick Leave* accrual unless their regular work week is less than forty hours, in which case *Earned Sick Leave* accrues based upon that regular work week.
- (f) *Employees* may determine how much *Earned Sick Leave* they need to use, provided that *Employers* may set a reasonable minimum increment for the use of *Earned Sick Leave* not to exceed two hours.
- (g) *Employers* may limit an *Employee's* use of *Earned Sick Leave* to forty hours in a *Benefit Year*, but *Employers* must allow *Employees* to continue to accrue *Earned Sick Leave* based on the formula set forth in this section. Unused *Earned Sick Leave* must be carried over to the following *Benefit Year*.
- (h) If an *Employee* is transferred to a separate division, entity, or location in the *City*, but remains employed by the same *Employer*, the *Employee* is entitled to all *Earned Sick Leave* accrued at the prior division, entity, or location, and is entitled to retain and use all *Earned Sick Leave*, as provided by this Division. When there is a separation from employment and the *Employee* is rehired within six months of separation by the same *Employer*, previously accrued *Earned Sick Leave* that was not used or paid out must be reinstated and such *Employee* must be entitled to use such accrued *Earned Sick Leave*.

- (i) *Employers* are not required by this Division to compensate an *Employee* for unused, accrued *Earned Sick Leave*, upon the *Employee's* termination, resignation, retirement, or other separation from employment.

§39.0106 Use of Earned Sick Leave

- (a) An *Employee* may use *Earned Sick Leave* for any of the following reasons:
 - (1) The *Employee* is physically or mentally unable to perform his or her duties due to illness, injury, or a medical condition of the *Employee*.
 - (2) The *Employee's* absence is for the purpose of obtaining professional diagnosis or treatment for a medical condition of the *Employee*.
 - (3) The *Employee's* absence is for other medical reasons of the *Employee*, such as pregnancy or obtaining a physical examination.
 - (4) The *Employee* is providing care or assistance to a *Family Member*, with an illness, injury, or medical condition, including assistance in obtaining professional diagnosis or treatment of a medical condition.
 - (5) The *Employee's* absence is for the *Employee's* use of *Safe Time*.
 - (6) The *Employee's* place of business is closed by order of a public official due to a *Public Health Emergency*, or the *Employee* is providing care or assistance to a *Child*, whose school or child care

provider is closed by order of a public official due to a *Public Health Emergency*.

- (b) An *Employer* may require reasonable notice of the need to use *Earned Sick Leave*. Where the need is foreseeable, an *Employer* may require reasonable advance notice of the intention to use such *Earned Sick Leave*, not to exceed seven days notice prior to the date such *Earned Sick Leave* is to begin. Where the need is not foreseeable, an *Employer* may require an *Employee* to provide notice of the need for the use of *Earned Sick Leave* as soon as practicable.
- (c) For an absence of more than three consecutive work days, an *Employer* may require reasonable documentation that the use of *Earned Sick Leave* was authorized under subsection (a) of this section. An *Employer* must accept as reasonable, documentation signed by a licensed *Health Care Provider* indicating the need for the amount of *Earned Sick Leave* taken, and an *Employer* may not require that the documentation specify the nature of the *Employee's* or the *Employee's Family Member's* injury, illness, or medical condition.
- (d) An *Employer* must not require an *Employee*, as a condition of using *Earned Sick Leave*, to search for or find a replacement worker to cover the hours during which such *Employee* is using *Earned Sick Leave*.

§39.0107 Minimum Wage

- (a) *Employers* must pay *Employees* no less than the *Minimum Wage* set forth in this section for each hour worked within the geographic boundaries of the *City*.
- (b) The *Minimum Wage* is an hourly rate defined as follows:
 - (1) Starting January 1, 2015, the *Minimum Wage* is \$9.75.
 - (2) Starting January 1, 2016, the *Minimum Wage* is \$10.50.
 - (3) Starting January 1, 2017, the *Minimum Wage* is \$11.50.
 - (4) Starting January 1, 2019, and each year thereafter, the *Minimum Wage* increases by an amount corresponding to the prior year's increase, if any, in the cost of living. The prior year's increase in the cost of living is measured by the percentage increase, if any, as of August of the immediately preceding year over the level as of August of the previous year of the Consumer Price Index (Urban Wage Earners and Clerical Workers, U.S. City Average for All Items) or its successor index as published by the U.S. Department of Labor or its successor agency, with the amount of the minimum wage increase rounded to the nearest multiple of five cents. The adjusted *Minimum Wage* will be announced by the *City* by October 1 of each year, and will become effective as the new *Minimum Wage* on January 1 of the succeeding year. The adjusted *Minimum Wage* will be noticed and posted as set forth in this Division.

- (5) In the event that the federal or California minimum wage is increased above the level of the *Minimum Wage* in force under this section, the *Minimum Wage* under this section will be increased to match the higher federal or California wage, effective on the same date as the increase in the federal or California minimum wage takes effect.
- (c) An *Employer* that meets the requirements to claim a credit against the California minimum wage under the California Labor Code or wage orders published by the California Industrial Welfare Commission or the State of California Division of Labor Standards Enforcement for meals or lodging provided to *Employees* may claim a credit in the same amount against the *Minimum Wage* required under this section.

§37.0108 Notice and Posting

- (a) The bulletin and notices specified in this section will be published by the *City* and made available to *Employers* in English, Spanish, and any other language for which the San Diego County Registrar of Voters provides translated ballot materials pursuant to section 203 of the federal Voting Rights Act. The materials specified in this section will be made available to *Employers* by April 1 in 2015, 2016, and 2017; by October 1 in 2018; and by October 1 of each year thereafter:
 - (1) A bulletin announcing the adjusted *Minimum Wage* for the upcoming year and its effective date.

- (2) A notice for *Employers* to post in the workplace informing *Employees* of the current *Minimum Wage* and of their rights to the *Minimum Wage* and *Earned Sick Leave*, including information about the accrual and use of *Earned Sick Leave*, the right to be free from *Retaliation*, and the right to file a complaint with the *Enforcement Office* or a court of competent jurisdiction.
 - (3) A template notice suitable for use by *Employers* in compliance with this section.
- (b) Every *Employer* must post in a conspicuous place at any workplace or job site where any *Employee* works the notice published each year by the *City* informing *Employees* of the current *Minimum Wage* and of their rights to the *Minimum Wage* and *Earned Sick Leave* under this Division. Every *Employer* must post this notice in the workplace or on the job site in English and any other language that is referenced in subsection (a) and spoken by at least five percent of the *Employees* at the *Employee's* job site.
- (c) Every *Employer* must also provide each *Employee* at the time of hire, or by April 1, 2015, whichever is later, written notice of the *Employer's* name, address, and telephone number and the *Employer's* requirements under this Division. The notice must be provided to the *Employee* in English and in the *Employee's* primary language, if it is a language referenced in subsection (a) and spoken by at least five percent of the

Employees at the Employee's job site. Employers may provide this notice through an accessible electronic communication in lieu of a paper notice.

§39.0109 Employer Records

Employers must create contemporaneous written or electronic records documenting their Employees' wages earned and accrual and use of Earned Sick Leave and retain these records for a period of at least three years. Employers must allow the Enforcement Office reasonable access to these records in furtherance of an investigation conducted pursuant to this Division. An Employer's failure to create and retain contemporaneous written or electronic records documenting its Employees' wages earned and accrual and use of Earned Sick Leave, or an Employer's failure to allow the Enforcement Office reasonable access to records creates a rebuttable presumption that the Employer has violated this section and the Employee's reasonable estimate regarding hours worked, wages paid, Earned Sick Leave accrued, and Earned Sick Leave taken may be relied upon.

§39.0110 Confidentiality and Nondisclosure

Employers are prohibited from requiring an Employee to disclose details related to the medical condition of the Employee's or the Employee's Family Member as a condition for using Earned Sick Leave under this Division, except where disclosure is required or authorized by federal or state law. Employers who obtain medical or other personal information about an Employee or an Employee's Family Member for the purposes of complying with Earned Sick Leave

requirements of this Division must maintain the confidentiality of the information and must not disclose it, except with the permission of the *Employee* or as required by law.

§39.0111 Retaliation Prohibited

Employers are prohibited from engaging in *Retaliation* against an *Employee* for exercising any right provided pursuant to this Division. The protections of this Division apply to any *Employee* who reasonably and in good faith reports a violation of this Division to his or her *Employer* or a governmental agency tasked with overseeing the enforcement of any wage and hour law applicable to the *Employer*. Rights under this Division include, but are not limited to, the right to request payment of the *Minimum Wage*, request and use *Earned Sick Leave*, file a complaint for alleged violations of this Division with the *Enforcement Office* or in court, communicate with any person about any violation or alleged violation of this Division, participate in any administrative or judicial action regarding an alleged violation of this Division, or inform any person of his or her potential rights under this Division.

§39.0112 Implementation, Enforcement, and Remedies

- (a) The *City Council* will designate the *Enforcement Office*.
- (b) The *Enforcement Office* will have full authority to implement and enforce this Division, as set forth in an implementing ordinance to be approved by the *City Council*. The ordinance will establish a system to receive and adjudicate complaints and to order relief in cases of violations.

- (c) The *City* or any person claiming harm from a violation of this Division may bring an action against the *Employer* in court to enforce the provisions of this Division. Any person claiming harm from a violation of this Division and the *City* are entitled to all legal and equitable relief to remedy any violation of this Division, including, but not limited to, the payment of back wages withheld in violation of this Division; an additional amount equal to double back wages withheld as liquidated damages; damages for an *Employer's* denial of the use of accrued *Earned Sick Leave* in violation of this Division; reinstatement of employment or other injunctive relief; and reasonable attorney's fees and costs to any plaintiff, who prevails in an action to enforce this Division. Violations of this Division are declared to irreparably harm the public and covered *Employees* generally.
- (d) Any *Employer* who violates any requirement of this Division is subject to a civil penalty for each violation of up to, but not to exceed, \$1,000 per violation; except that any *Employer* who fails to comply with the notice and posting requirements of this Division is subject to a civil penalty of one hundred dollars for each *Employee* who was not given appropriate notice pursuant to that section, up to a maximum of \$2,000.
- (e) Violations of this Division may not be prosecuted as a misdemeanor or infraction.
- (f) This Division does not create any right of action or cause of action for damages against the *City* in its enforcement of this Division.

- (g) Submitting a complaint to the *Enforcement Office* is neither a prerequisite to nor a bar to bringing a private cause of action.
- (h) This section is not intended to supersede any applicable, current or future state or local law, rule, regulation, or approved memoranda of understanding binding on the *City*, as a public agency employer, and its *Employees*.

§39.0113 Compliance with Legal Agreements

This Division must not be interpreted to modify any obligation of an *Employer* to comply with any contract, collective bargaining agreement, employment benefit plan, or other agreement providing higher wages or more *Earned Sick Leave* to an *Employee*.

§39.0114 No Effect on Higher Wages or More Earned Sick Leave

This Division must not be construed to discourage or prohibit an *Employer* from providing higher wages or more *Earned Sick Leave* to its *Employees*.

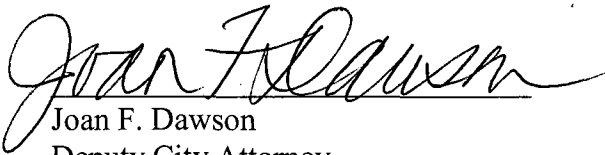
§39.0115 Effect of Invalidity; Severability

If any section, subdivision, paragraph, sentence, clause, phrase, or other portion of this Division is, for any reason, declared unconstitutional or invalid, in whole or in part, by any court of competent jurisdiction, such portion shall be deemed severable, and such unconstitutionality or invalidity shall not affect the validity of the remaining portions of this Division, which shall continue in full force and effect.

Section 2. That a full reading of this ordinance is dispensed with prior to its passage, a written or printed copy having been made available to the City Council and the public prior to the day of its passage.

Section 3. That this ordinance shall take effect and be in force on the thirtieth day from and after its final passage.

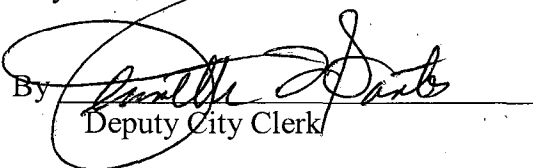
APPROVED: JAN I. GOLDSMITH, City Attorney

By 
Joan F. Dawson
Deputy City Attorney

JFD:ccm
07/14/2014 REV.
07/07/14
Or.Dept: Council District 3
Document No.: 822841

I certify that this Ordinance was passed by the Council of the City of San Diego, at this meeting of JUL 28 2014.

ELIZABETH S. MALAND
City Clerk

By 
Deputy City Clerk

Approved: _____
(date)

Vetoed: 8/8/14
(date)

KEVIN L. FAULCONER, Mayor


KEVIN L. FAULCONER, Mayor

(See Attachment 1 for history and Attachment 2 for Mayor's written objections related to the veto.)

On Monday, July 28, 2014, Ordinance Number O-20390, regarding Minimum Wage, was passed by the Council of the City of San Diego with a 6 to 3 vote (1,2,3,4,8,9-yea; 5,6,7-nay). The Mayor vetoed the ordinance on August 8, 2014, and returned it to the City Clerk with his written objections on August 8, 2014.

On Monday, August 18, 2014, the Council reconsidered the ordinance vetoed by the Mayor. The ordinance did receive sufficient votes to override the Mayor's veto. Pursuant to Charter Section 285, the ordinance shall be deemed approved and the date of Council's override shall be the date of final passage.



KEVIN L. FAULCONER

MAYOR

Veto Message

August 8, 2014

San Diego is at its best when everyone has the opportunity to find employment and pursue the American Dream. I have vetoed City Council Ordinance O-2015-11 REV. because it threatens these opportunities, making it harder for San Diegans to find work.

Just like our own health, our local economy needs balance and moderation to flourish and prosper. This ordinance weakens San Diego's ability to create and retain jobs by putting heavier burdens on small businesses compared to nearby cities, permanently tipping the scales to the disadvantage of San Diegans seeking employment.

The timing and scope of this regulation willfully ignores recent legislation passed at the State Capitol. Local workers are already receiving a pay increase regardless of this ordinance; California workers will see a 25 percent raise over the next three years through a wage bill signed by Governor Brown. The City Council's proposed ordinance will add an increase on top of that – resulting in a combined 44 percent increase just in San Diego, with annual escalations every year in perpetuity that go well beyond the state's plan. This ordinance will create new costs unique to San Diego, jeopardizing small businesses and the hard working families they employ.

The family-owned grocery stores, mom-and-pop restaurants and neighborhood boutiques that San Diegans love will be hardest hit. Some large-scale chains are better equipped to absorb the added expense. It's the shops owned by our fellow San Diegans – the local success stories that bring our community pride – that are at risk. Add on top of that the chilling effect this could have on entrepreneurs who want to start a new business in San Diego.

The City Council's authority stops at the city limits, but the principles of economics do not. As job creators leave for other cities without anti-business legislation, San Diegans will be deprived of jobs and economic advancement. Unfortunately, the jobs this ordinance seeks to affect could be the first to disappear.

As Mayor, it is my job to cultivate an atmosphere that creates economic opportunities for all San Diegans. Working families and the small businesses that they power are the backbone of our economy, and City leaders should be doing everything they can to ensure they succeed.

This ordinance unfairly pits working families and our city against economic realities that will make it even harder for San Diego to thrive. I cannot support putting the brakes on our economy. I believe we can and must work together in unison – workers, businesses and government – to move San Diego forward.

Kevin L. Faulconer
Mayor

STRIKEOUT ORDINANCE

OLD LANGUAGE: ~~Struck Out~~NEW LANGUAGE: Double Underline

ORDINANCE NUMBER O-_____ (NEW SERIES)

DATE OF FINAL PASSAGE _____

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Article 9: City of San Diego Earned Sick Leave and Minimum WageDivision 1: City of San Diego Earned Sick Leave and Minimum Wage Ordinance§39.0101 Purpose and Intent

This Division ensures that employees who work in the City receive a livable minimum wage and the right to take earned, paid sick leave to ensure a decent and healthy life for themselves and their families. By enabling more employees to support and care for their families through their own efforts and with less need for financial assistance from the government, and by protecting the rights of employees to care for their health and the health of their family members, the City can safeguard the general welfare, health, safety and prosperity of all San Diegans.

It is the purpose and intent in enacting this Division that San Diego workers be guaranteed the right to take earned sick leave. Most employees will at some time during each year need limited time off from work to take care of their own health needs or the health needs of members of their families. Guaranteeing employees

earned sick leave will reduce recovery time from illnesses, promote the use of regular medical providers rather than hospital emergency departments, and reduce the likelihood of workers spreading illness to other members of the workforce and to the public.

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Earned Sick Leave means accrued increments of compensated leave provided by an *Employer* to an *Employee* as a benefit of the employment for use by the *Employee* during an absence from the employment because of a qualifying medical condition or event, as specified in section 39.0106 of this Division.

Employee means any person who:

- (a) In one or more calendar weeks of the year performs at least two hours of work within the geographic boundaries of the *City* for an *Employer*; and
- (b) Qualifies as an employee entitled to payment of a minimum wage from any employer under the California minimum wage law, as set forth in the

California Labor Code and wage orders published by the California Industrial Welfare Commission or the State of California Division of Labor Standards Enforcement, or is a participant in a State of California Welfare-to-Work Program.

- (c) Employee does not include any person who is authorized to be employed at less than the minimum wage under a special license issued under California Labor Code sections 1191 or 1191.5; any person employed under a publicly subsidized summer or short-term youth employment program, such as the San Diego County Urban Corps Program; or any student employee, camp counselor, or program counselor of an organized camp as defined in California Labor Code section 1182.4. Employee also does not include any person who is employed as an independent contractor as defined by the California Labor Code.

Employer means any person or persons, as defined in California Labor Code section 18, who exercises control over the wages, hours, or working conditions of any Employee, or suffers or permits the Employee to work, or engages the Employee. Employer does not include a person receiving services under the California In-Home Supportive Services program pursuant to Welfare and Institutions Code section 12300.

Enforcement Office means the City Department or Office that the City Council designates to enforce this Division.

Family Member means a Child, Spouse, Parent, grandparent, grandchild, Sibling, or the Child or Parent of a Spouse.

Health Care Provider means any person licensed under federal or California law to provide medical or emergency services, including, but not limited to, doctors, nurses and emergency room personnel.

Minimum Wage means an hourly minimum rate to be paid to *Employees*, as defined in section 39.0107 of this Division.

Parent means a biological, foster, or adoptive parent; a step-parent; a legal guardian; or a person who stood in loco parentis when the *Employee* was a minor child.

Public Health Emergency means a state of emergency declared by any public official with the authority to do so, including officials with the *City*, the County of San Diego, the State of California, or the United States government.

Retaliation means any threat, discipline, discharge, demotion, suspension, reduction in *Employee* hours, or any other adverse employment action against any *Employee* for exercising or attempting to exercise any right guaranteed under this Division.

Safe Time means time away from work that is necessary due to *Domestic Violence*, *Sexual Assault*, or *Stalking*, provided the time is used to allow the *Employee* to obtain for the *Employee* or the *Employee's Family Member* one or more of the following:

- (a) Medical attention needed to recover from physical or psychological injury or disability caused by *Domestic Violence*, *Sexual Assault*, or *Stalking*;
- (b) Services from a victim services organization;
- (c) Psychological or other counseling;
- (d) Relocation due to the *Domestic Violence*, *Sexual Assault*, or *Stalking*; or

- (e) Legal services, including preparing for or participating in any civil or criminal legal proceeding related to or resulting from the *Domestic Violence, Sexual Assault, or Stalking*.

Sexual Assault means “rape” as defined in California Penal Code section 261 or “sexual battery” as defined by California Penal Code section 243.4.

Sibling means a brother or sister, whether related through half blood, whole blood, or adoption, or one who is a step-sibling.

Spouse means a person to whom an *Employee* is legally married under the laws of the State of California, or the *Employee’s Domestic Partner*.

Stalking means the unlawful conduct described in California Penal Code section 646.9.

§39.0105 Accrual of Earned Sick Leave

- (a) *Employers* must provide *Earned Sick Leave* to their *Employees* in accordance with this Division.
- (b) *Employers* must provide an *Employee* with one hour of *Earned Sick Leave* for every thirty hours worked by the *Employee* within the geographic boundaries of the *City*, but *Employers* are not required to provide an *Employee* with *Earned Sick Leave* in less than one-hour increments for a fraction of an hour worked. *Earned Sick Leave* must be compensated at the same hourly rate or other measure of compensation as the *Employee* earns from his or her employment at the time the *Employee* uses the *Earned Sick Leave*.

- (c) An Employer required to provide Earned Sick Leave pursuant to this Division, who provides an Employee with an amount of paid leave, including paid time off, paid vacation, or paid personal days sufficient to meet the requirements of this section, and who allows such paid leave to be used for the same purposes and under the same conditions as Earned Sick Leave required pursuant to this Division, is not required to provide additional Earned Sick Leave to such Employee.
- (d) Earned Sick Leave begins to accrue at the commencement of employment or on April 1, 2015, whichever is later, and an Employee is entitled to begin using Earned Sick Leave on the ninetieth calendar day following commencement of his or her employment or on July 1, 2015, whichever is later. After the ninetieth calendar day of employment or after July 1, 2015, whichever is later, such Employee may use Earned Sick Leave as it is accrued.
- (e) Employees who are not covered by the overtime requirements of California law or regulations are assumed to work forty hours in each work week for purposes of Earned Sick Leave accrual unless their regular work week is less than forty hours, in which case Earned Sick Leave accrues based upon that regular work week.
- (f) Employees may determine how much Earned Sick Leave they need to use, provided that Employers may set a reasonable minimum increment for the use of Earned Sick Leave not to exceed two hours.
- (g) Employers may limit an Employee's use of Earned Sick Leave to forty hours in a Benefit Year, but Employers must allow Employees to continue

to accrue *Earned Sick Leave* based on the formula set forth in this section.
Unused *Earned Sick Leave* must be carried over to the following *Benefit*
Year.

- (h) If an *Employee* is transferred to a separate division, entity, or location in
the *City*, but remains employed by the same *Employer*, the *Employee* is
entitled to all *Earned Sick Leave* accrued at the prior division, entity, or
location, and is entitled to retain and use all *Earned Sick Leave*, as
provided by this Division. When there is a separation from employment
and the *Employee* is rehired within six months of separation by the same
Employer, previously accrued *Earned Sick Leave* that was not used or paid
out must be reinstated and such *Employee* must be entitled to use such
accrued *Earned Sick Leave*.
- (i) *Employers* are not required by this Division to compensate an *Employee*
for unused, accrued *Earned Sick Leave*, upon the *Employee's* termination,
resignation, retirement, or other separation from employment.

§39.0106 Use of Earned Sick Leave

- (a) An *Employee* may use *Earned Sick Leave* for any of the following
reasons:
- (1) The *Employee* is physically or mentally unable to perform his or
her duties due to illness, injury, or a medical condition of the
Employee.
- (2) The *Employee's* absence is for the purpose of obtaining
professional diagnosis or treatment for a medical condition of the
Employee.

- (3) The *Employee's* absence is for other medical reasons of the *Employee*, such as pregnancy or obtaining a physical examination.
- (4) The *Employee* is providing care or assistance to a *Family Member*, with an illness, injury, or medical condition, including assistance in obtaining professional diagnosis or treatment of a medical condition.
- (5) The *Employee's* absence is for the *Employee's* use of *Safe Time*.
- (6) The *Employee's* place of business is closed by order of a public official due to a *Public Health Emergency*, or the *Employee* is providing care or assistance to a *Child*, whose school or child care provider is closed by order of a public official due to a *Public Health Emergency*.
- (b) An *Employer* may require reasonable notice of the need to use *Earned Sick Leave*. Where the need is foreseeable, an *Employer* may require reasonable advance notice of the intention to use such *Earned Sick Leave*, not to exceed seven days notice prior to the date such *Earned Sick Leave* is to begin. Where the need is not foreseeable, an *Employer* may require an *Employee* to provide notice of the need for the use of *Earned Sick Leave* as soon as practicable.
- (c) For an absence of more than three consecutive work days, an *Employer* may require reasonable documentation that the use of *Earned Sick Leave* was authorized under subsection (a) of this section. An *Employer* must accept as reasonable, documentation signed by a licensed *Health Care Provider* indicating the need for the amount of *Earned Sick Leave* taken,

- (d) and an *Employer* may not require that the documentation specify the nature of the *Employee's* or the *Employee's Family Member's* injury, illness, or medical condition.
- (e) An *Employer* must not require an *Employee*, as a condition of using *Earned Sick Leave*, to search for or find a replacement worker to cover the hours during which such *Employee* is using *Earned Sick Leave*.

§39.0107 Minimum Wage

- (a) *Employers* must pay *Employees* no less than the *Minimum Wage* set forth in this section for each hour worked within the geographic boundaries of the *City*.
- (b) The *Minimum Wage* is an hourly rate defined as follows:
 - (1) Starting January 1, 2015, the *Minimum Wage* is \$9.75.
 - (2) Starting January 1, 2016, the *Minimum Wage* is \$10.50.
 - (3) Starting January 1, 2017, the *Minimum Wage* is \$11.50.
 - (4) Starting January 1, 2019, and each year thereafter, the *Minimum Wage* increases by an amount corresponding to the prior year's increase, if any, in the cost of living. The prior year's increase in the cost of living is measured by the percentage increase, if any, as of August of the immediately preceding year over the level as of August of the previous year of the Consumer Price Index (Urban Wage Earners and Clerical Workers, U.S. City Average for All Items) or its successor index as published by the U.S. Department of Labor or its successor agency, with the amount of the minimum wage increase rounded to the nearest multiple of five cents. The

adjusted *Minimum Wage* will be announced by the *City* by October 1 of each year, and will become effective as the new *Minimum Wage* on January 1 of the succeeding year. The adjusted *Minimum Wage* will be noticed and posted as set forth in this Division.

(5) In the event that the federal or California minimum wage is increased above the level of the *Minimum Wage* in force under this section, the *Minimum Wage* under this section will be increased to match the higher federal or California wage, effective on the same date as the increase in the federal or California minimum wage takes effect.

(c) An *Employer* that meets the requirements to claim a credit against the California minimum wage under the California Labor Code or wage orders published by the California Industrial Welfare Commission or the State of California Division of Labor Standards Enforcement for meals or lodging provided to *Employees* may claim a credit in the same amount against the *Minimum Wage* required under this section.

§37.0108 Notice and Posting

(a) The bulletin and notices specified in this section will be published by the *City* and made available to *Employers* in English, Spanish, and any other language for which the San Diego County Registrar of Voters provides translated ballot materials pursuant to section 203 of the federal Voting Rights Act. The materials specified in this section will be made available

to *Employers* by April 1 in 2015, 2016, and 2017; by October 1 in 2018;
and by October 1 of each year thereafter:

- (1) A bulletin announcing the adjusted *Minimum Wage* for the upcoming year and its effective date.
 - (2) A notice for *Employers* to post in the workplace informing *Employees* of the current *Minimum Wage* and of their rights to the *Minimum Wage* and *Earned Sick Leave*, including information about the accrual and use of *Earned Sick Leave*, the right to be free from *Retaliation*, and the right to file a complaint with the *Enforcement Office* or a court of competent jurisdiction.
 - (3) A template notice suitable for use by *Employers* in compliance with this section.
- (b) Every *Employer* must post in a conspicuous place at any workplace or job site where any *Employee* works the notice published each year by the *City* informing *Employees* of the current *Minimum Wage* and of their rights to the *Minimum Wage* and *Earned Sick Leave* under this Division. Every *Employer* must post this notice in the workplace or on the job site in English and any other language that is referenced in subsection (a) and spoken by at least five percent of the *Employees* at the *Employee's* job site.
- (c) Every *Employer* must also provide each *Employee* at the time of hire, or by April 1, 2015, whichever is later, written notice of the *Employer's* name, address, and telephone number and the *Employer's* requirements under this Division. The notice must be provided to the *Employee* in

English and in the *Employee's* primary language, if it is a language referenced in subsection (a) and spoken by at least five percent of the *Employees* at the *Employee's* job site. *Employers* may provide this notice through an accessible electronic communication in lieu of a paper notice.

§39.0109 *Employer Records*

Employers must create contemporaneous written or electronic records documenting their *Employees' wages earned and accrual and use of Earned Sick Leave* and retain these records for a period of at least three years. *Employers* must allow the *Enforcement Office* reasonable access to these records in furtherance of an investigation conducted pursuant to this Division. An *Employer's* failure to create and retain contemporaneous written or electronic records documenting its *Employees' wages earned and accrual and use of Earned Sick Leave*, or an *Employer's* failure to allow the *Enforcement Office* reasonable access to records creates a rebuttable presumption that the *Employer* has violated this section and the *Employee's* reasonable estimate regarding hours worked, wages paid, *Earned Sick Leave* accrued, and *Earned Sick Leave* taken may be relied upon.

§39.0110 *Confidentiality and Nondisclosure*

Employers are prohibited from requiring an *Employee* to disclose details related to the medical condition of the *Employee's* or the *Employee's Family Member* as a condition for using *Earned Sick Leave* under this Division, except where disclosure is required or authorized by federal or state law. *Employers* who obtain medical or other personal information about an *Employee* or an *Employee's Family Member* for the purposes of complying with *Earned Sick Leave*

requirements of this Division must maintain the confidentiality of the information and must not disclose it, except with the permission of the *Employee* or as required by law.

§39.0111 Retaliation Prohibited

Employers are prohibited from engaging in *Retaliation* against an *Employee* for exercising any right provided pursuant to this Division. The protections of this Division apply to any *Employee* who reasonably and in good faith reports a violation of this Division to his or her *Employer* or a governmental agency tasked with overseeing the enforcement of any wage and hour law applicable to the *Employer*. Rights under this Division include, but are not limited to, the right to request payment of the *Minimum Wage*, request and use *Earned Sick Leave*, file a complaint for alleged violations of this Division with the *Enforcement Office* or in court, communicate with any person about any violation or alleged violation of this Division, participate in any administrative or judicial action regarding an alleged violation of this Division, or inform any person of his or her potential rights under this Division.

§39.0112 Implementation, Enforcement, and Remedies

- (a) *The City Council* will designate the *Enforcement Office*.
- (b) *The Enforcement Office* will have full authority to implement and enforce this Division, as set forth in an implementing ordinance to be approved by the *City Council*. The ordinance will establish a system to receive and adjudicate complaints and to order relief in cases of violations.

- (c) The City or any person claiming harm from a violation of this Division may bring an action against the Employer in court to enforce the provisions of this Division. Any person claiming harm from a violation of this Division and the City are entitled to all legal and equitable relief to remedy any violation of this Division, including, but not limited to, the payment of back wages withheld in violation of this Division; an additional amount equal to double back wages withheld as liquidated damages; damages for denying the use of accrued Earned Sick Leave in violation of this Division; reinstatement of employment or other injunctive relief; and reasonable attorney's fees and costs to any plaintiff, who prevails in an action to enforce this Division. Violations of this Division are declared to irreparably harm the public and covered Employees generally.
- (d) Any Employer who violates any requirement of this Division is subject to a civil penalty for each violation of up to, but not to exceed, \$1,000 per violation; except that any Employer who fails to comply with the notice and posting requirements of this Division is subject to a civil penalty of one hundred dollars for each Employee who was not given appropriate notice pursuant to that section, up to a maximum of \$2,000.
- (e) Violations of this Division may not be prosecuted as a misdemeanor or infraction.
- (f) This Division does not create any right of action or cause of action for damages against the City in its enforcement of this Division.

- (g) Submitting a complaint to the *Enforcement Office* is neither a prerequisite to nor a bar to bringing a private cause of action.
- (h) This section is not intended to supersede any applicable, current or future state or local law, rule, regulation, or approved memoranda of understanding binding on the *City*, as a public agency employer, and its *Employees*.

§39.0113 Compliance with Legal Agreements

This Division must not be interpreted to modify any obligation of an *Employer* to comply with any contract, collective bargaining agreement, employment benefit plan, or other agreement providing higher wages or more *Earned Sick Leave* to an *Employee*.

§39.0114 No Effect on Higher Wages or More Earned Sick Leave

This Division must not be construed to discourage or prohibit an *Employer* from providing higher wages or more *Earned Sick Leave* to its *Employees*.

§39.0115 Effect of Invalidity; Severability

If any section, subdivision, paragraph, sentence, clause, phrase, or other portion of this Division is, for any reason, declared unconstitutional or invalid, in whole or in part, by any court of competent jurisdiction, such portion shall be deemed severable, and such unconstitutionality or invalidity shall not affect the validity of the remaining portions of this Division, which shall continue in full force and effect.

JFD:ccm
07/14/2014 REV.
07/10/14
Or.Dept: Council District 3
Document No.: 822843

Passed by the Council of The City of San Diego on AUG 18 2014, by the following vote:

| Councilmembers | Yeas | Nays | Not Present | Recused |
|-----------------|-------------------------------------|-------------------------------------|-------------------------------------|--------------------------|
| Sherri Lightner | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Ed Harris | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Todd Gloria | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Myrtle Cole | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Mark Kersey | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Lorie Zapf | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Scott Sherman | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| David Alvarez | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Marti Emerald | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Date of final passage AUG 18 2014

AUTHENTICATED BY:

KEVIN L. FAULCONER
Mayor of The City of San Diego, California.

(Seal)

ELIZABETH S. MALAND
City Clerk of The City of San Diego, California.

By Mary Fernandez, Deputy

I HEREBY CERTIFY that the foregoing ordinance was not finally passed until twelve calendar days had elapsed between the day of its introduction and the day of its final passage, to wit, on

JUL 14 2014

, and on

AUG 18 2014

I FURTHER CERTIFY that said ordinance was read in full prior to passage or that such reading was dispensed with by a vote of five members of the Council, and that a written copy of the ordinance was made available to each member of the Council and the public prior to the day of its passage.

(Seal)

ELIZABETH S. MALAND
City Clerk of The City of San Diego, California.

By Mary Fernandez, Deputy

Office of the City Clerk, San Diego, California

Ordinance Number O- 20390