

Memorandum



City of Tempe

Date: February 16, 2016
To: Mayor and Council
From: Elizabeth Higgins
Subject: Earned Sick Leave Requirement for Tempe Employers

Background:

On September 17, 2015, a City Manager Committee of the Whole (COW) working group was formed to explore the legality, feasibility, and the economic and social impacts of an ordinance requiring Tempe employers to provide earned leave (also called paid sick leave, or earned sick and safe days) to their employees. A coalition called the Healthy Families, Healthy Workplaces brought a *draft* ordinance to the City Council to require all Tempe employers to provide a minimum number of earned sick hours to workers employed in Tempe for more 80 hours in a calendar year. The *draft* ordinance would have also required that the worker's sick leave would have accrued at one hour for every 30 hours worked, with workers in businesses with 10 or more people getting up to 56 hours per year and workers in businesses with fewer than 10 workers getting up to 40 hours per year. Under the *draft* proposal, workers would be able to use the sick leave after the 90th day of employment. As written, the *draft* ordinance's provisions would not have applied to any workers covered by a Collective Bargaining Agreement to the extent that the CBA expressly waives the requirements in clear and unambiguous terms. Additionally, workers employed by any government entity were also exempted, as Tempe does not have legal authority over other governments. The coalition was willing to amend these provisions.

The working group explored both the draft ordinance and the concept of earned sick days (ESD) in a series of stakeholders and public meetings over the course of the past five months. During that process, the working group heard from residents, business owners, local economic experts, and organizations that represent employers, employees, small businesses, restaurants, retailers, tourism and lodging, human services and the faith-based communities.

The feedback collected at these meeting was largely split, with businesses and residents testifying both in favor and opposed to the proposal. A number of businesses provided direct information to the city in an online survey. This online survey allowed the working group to collect information about the types of businesses in Tempe that would be affected by the draft proposal, how many employees they had, what type of paid leave they offered to their employees already, and whether or not they were in favor or opposed to the *draft* proposal. The public comment has been provided in a separate attachment.

Direction:

Mayor Mitchell and Councilmember Joel Navarro recommend that the working group come to a close and that this initiative be pursued statewide. Councilmember Kuby recommends that the working group continue to study the topic of earned sick days, engaging with interested stakeholders and the Healthy Families, Healthy Workplaces coalition to craft a compromise solution.

Working Group Members:

Mayor Mark Mitchell
Councilmember Lauren Kuby
Councilmember Joel Navarro

Staff:

Elizabeth Higgins, Chief of Staff to the Mayor and Council
Kristin Gwinn, Council Aide