

CITY OF MINNEAPOLIS

Report by the Workplace Regulations Partnership: An Analysis & Policy Recommendations related to Earned Sick Time & Paid Time Off

Committee of the Whole
Wednesday, March 16 2016

THE PROBLEM

- Over 100,000 people working in Minneapolis have no paid sick time.
- More than 1/3 of Minneapolis workers work in healthcare, education, or food service/hospitality – where there is very high public health risk exposure.
- Those with no access are disproportionately low-wage workers & people of color.

Over 20 other municipalities have now enacted paid sick time laws to address this problem.

OUR CHARGE

Minneapolis City Council established a Workplace Regulations Partnership Group to:

- Study the impact of policy proposals related to workplace regulations on earned sick time and paid time off, including consideration of regional and cross-jurisdictional implications of such policy proposals.
- Engage the community in the development of its recommended policy proposals through focus groups, listening sessions, and similar practices and may consult subject-matter experts in the course of its study.
- Report its final policy proposals on earned sick time and paid time off to the Committee of the Whole by no later than February 24, 2016.



OUR WORK

- 15 voting and 4 non-voting members representing employees and employers from a cross-section of sectors (retail, restaurants, health care) were appointed.
- Fourteen listening sessions were held between January 11 and January 29th – reaching more than 500 participants!
- Eleven business meetings were held through March 2016 sorting through issues, reviewing research, and negotiating agreement.

WE LISTENED...

500 people across 14 listening sessions

Construction	Manufacturing	Franchise restaurants	Independent and small businesses	Health care organizations
Downtown employers (multi-sector)	Professional services firms	Service workers	Union employees	Nonprofit & social sector organizations
African American community	Hmong community	Latino community	Native American community	East African/Somali community
Northside community		Retail	Southside community	

LISTENING SESSIONS: KEY LESSONS

- Employees inability to take paid time off impacts personal and family health:
 - *“Do I work or do I eat?”*
 - Informal time off policies often do not extend to care for sick children or other family members
- Lack of paid sick time has larger “ripple effect” through community in Minneapolis:
 - Impact of children going to school sick
 - Lack of paid sick time and homelessness
- Fear of retaliation is common.

LISTENING SESSIONS:

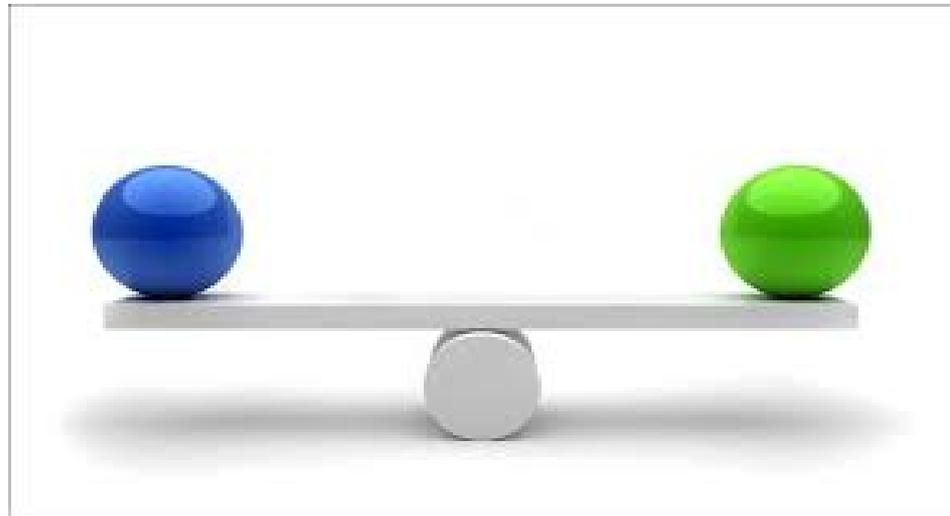
KEY LESSONS

- Sick time policy should support/align with comprehensive paid time off policies that already exist.
- Employers wish to minimize administrative burdens, have some protection against misuse.
- Smaller employers – especially “micro-employers” – may face greater difficulty covering costs and shifts and handling administrative tracking.



OUR ONGOING CHALLENGE

We have sought to address the public health concerns and meet the needs of employees with no access to paid sick time...



...while minimizing the burdens and costs for employers.

GUIDING OBJECTIVES

Improve Public Health



Employees who are ill impact the health of the general public.

They are likely to infect colleagues, customers and other people they interact with during the work day.

Improve Employee Health & Labor Conditions



Enabling employees to take time off allows them to adequately take care of themselves and their families.

A little more than 40% of Minneapolis employees have no access to paid time off. These employees are disproportionately low-wage and individuals of color.

Improve Business Climate for Attracting and Retaining Employees

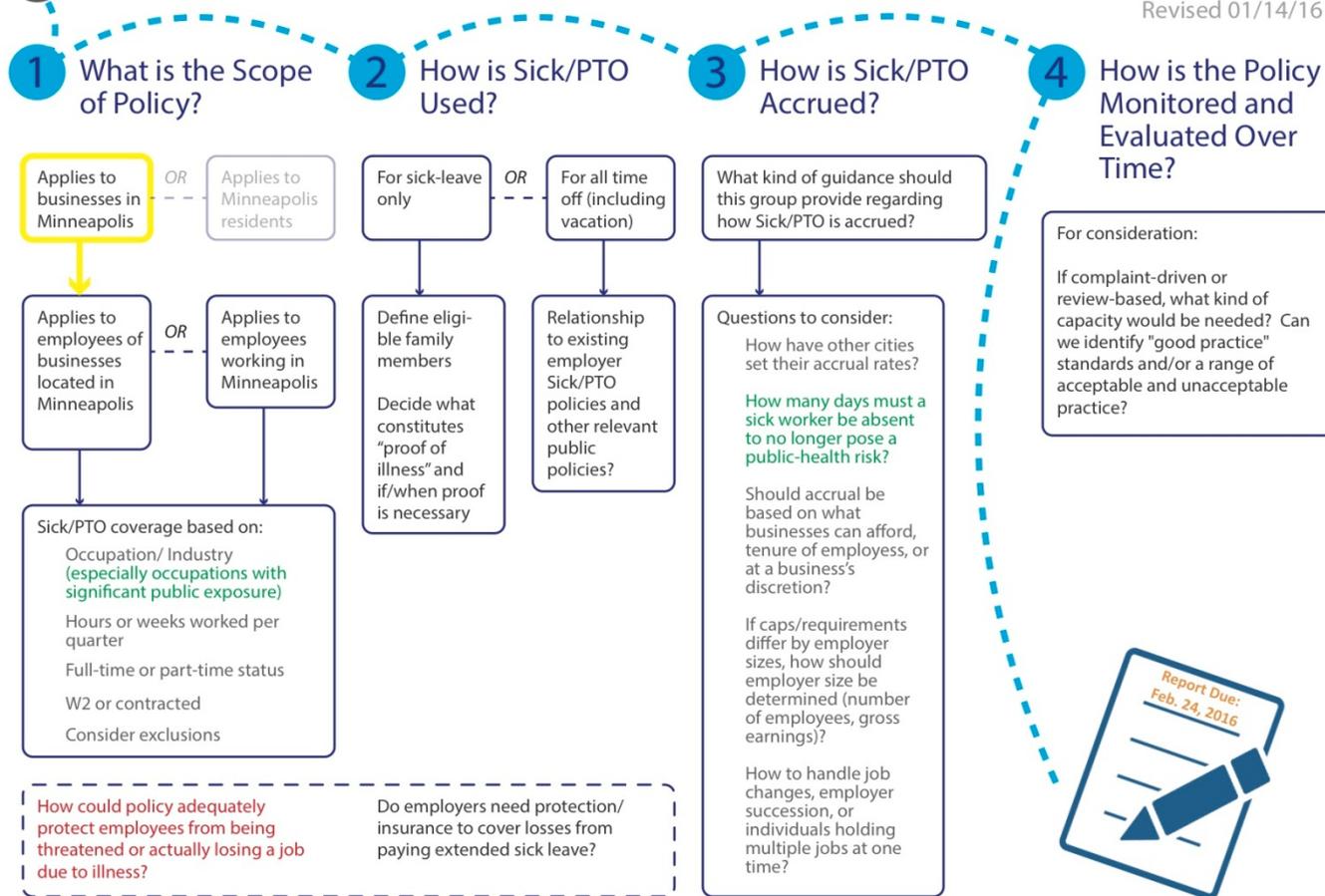


Ensuring that workers have time off to tend to their own well-being is a significant talent attraction and retention tool, and contributes to a healthy work environment, increasing productivity and reducing turnover costs.

By setting a citywide standard, businesses working in Minneapolis will enjoy a competitive edge and strengthen employee relations.

DECISION PATHWAY TOWARD POLICY RECOMMENDATIONS - WORKING DRAFT

Revised 01/14/16



WE ORGANIZED OUR WORK...

Into four primary categories, reflected throughout our research and deliberations:

- Scope
- Usage
- Accrual Mechanism
- Monitoring, Enforcement, & Implementation



WE RECOMMEND

SCOPE

- All employees working in the City of Minneapolis for at least 80 hours in a year for a given employer be covered by this policy.
- Employers are responsible for providing paid sick time to eligible employees regardless of the location of the employer.

Accommodations:

- *Micro-employers* (one to three covered employees) are bound by the protections provided in the policy, but have discretion regarding paid or unpaid time.
- *Small employers* (defined as 24 or fewer covered employees) should have an additional 6 months to implement the policy.

WE RECOMMEND USAGE

- Broad definition of family and household, per existing practice.
- Broad usage for physical & mental illness.
- Employers may request documentation of illness/absence from an employee if there is a clear pattern of abuse.
- Employees may use sick time in increments consistent with current business/payroll practice.



WE RECOMMEND USAGE

- Employees begin earning sick time when employment begins; and, may use paid time off after a provisional period that is no longer than 90 days after employment begins.
- Existing employer policies will be in compliance if they:
 - a) offer access and utilize compensated leave at the same rate and amounts, or greater, than the hours of leave provided in the City's policy and
 - b) allow the employee to use the compensated leave for the same purposes as outlined.

WE RECOMMEND ACCRUAL MECHANISM

- Paid sick time is earned at the rate of 1 hour for every 30 hours worked.
- Employers are allowed to place an annual cap on accrual at 48 hours of accrued time.
- Employees are allowed to carryover accrued, unused time up to a total of 80 hours of accrued time (i.e., the employee can “bank” up to 80 hours).
- Employers are not required to pay out unused time upon termination of employment.
- Exempt (salaried) employees are generally considered to work 40 hours per week for purposes of accrual.

WE RECOMMEND ENFORCEMENT & IMPLEMENTATION

- Broad education effort to help employers and employees understand implications of policy when implemented.
- Single point of contact within the City for employees and employers to address issues.
- Explicit protection from retaliation.
- Transparent notification to employees including written notice and workplace posting.
- Annual outcome evaluation reported to City residents, businesses, employees, and other stakeholders.

WE RECOMMEND ENFORCEMENT & IMPLEMENTATION

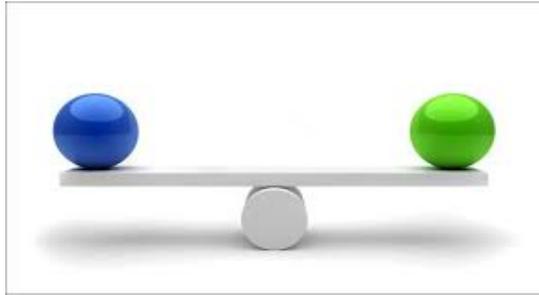
- Partnership approach that includes a stakeholder group to review and improve upon policy implementation over time.
- City compliance consistent with current practice, including individual relief to aggrieved parties.
- City prohibits licensees from contracting for services where the contractor has failed to comply with this ordinance.
- Enactment of the policy should be at least six months following passage of the ordinance by Council.



SUPPLEMENTAL RECOMMENDATIONS

- Strengthen City efforts to support small businesses.
- Consider in the future a broader citywide tax mechanism to support this benefit.
- Consider bereavement leave.
- Advocate for higher reimbursement rate for nonprofit entities that are paid through government funds.





The Workplace Partnership recommendations offer a balanced approach to this issue. The recommendations:

- Provide access to sick time for people in Minneapolis when they need it;
- Minimize administrative burdens for employers and recognize diversity of the employer community in Minneapolis; and
- Create an ongoing partnership for community stakeholders to review the policy in practice, and identify areas for improvement.



BROAD SUPPORT FOR RECOMMENDATIONS

- Members of WPG voted for recommendations on March 14, 2016.
(13 voting “Yes”, 1 voting “No”, and 1 abstention)
- We thank City Council for creating this group and encourage members of Council to use these recommendations as policy framework for ordinance.



THANK YOU

City residents, employees and
business owners who participated in
this effort!



THANK YOU

Workplace Partnership Group

Liz Doyle – Chair Jim Rowader – Vice-Chair
Susie Brown; Steve Cramer; Faisal A. Mohamud Deri;
Brian Elliott; Dayna Frank; Stephanie Gasca;
Molly Glasgow; Chelsie Glaubitz Gabiou; Ron Harris;
Abdirahman Kahin; Tony Lacroix-Dalluhn;
Sarah Webster Norton; Christopher Carl Pennock;
Guillermo Alexander Lindsay; Wade Luneburg;
Bruce Nustad; Danny Schwartzman
and supporting staff

QUESTIONS?

