



Office of the Mayor, Ethan K Strimling

DISTRIBUTE TO: Members of the HHS and Public Safety Committee: Councilor Belinda Ray, Chair; Councilor Pious Ali; and Councilor Brian Batson.
FROM: Ethan Strimling, Mayor
DATE: Oct 9, 2018
SUBJECT: **Municipal Hourly Paid Sick Time requirements**

This memo is in response to the question Councilor Batson asked at the September 25th Committee meeting regarding why we proposed that the city ensure 48 hours of paid sick time for all employees who work in Portland.

In a nutshell, besides wanting to get as close as possible to the seven days needed for flu recovery, we took our guidance based on what most other municipalities have successfully implemented. While it is true that most **states** max out their minimum requirements at 40 hours, as was mentioned at the meeting, most **cities** that have passed ordinances require well above 40 hours of paid sick time for their largest businesses and very few go below 40 hours for their smallest ("large" and "small" differ everywhere, with a one city having three tiers).

Here is the list of all municipalities and how much they offer (excluding NJ, as their ordinances got superseded by state law):

- **Austin: 48 hours for smallest businesses, 64 hours for largest.**
- **Berkeley: 48 hours for smallest businesses, 72 hours for largest.**
- **Chicago: 40 hours for all businesses.**
- **Duluth: 64 hours for all businesses.**
- **Emeryville: 48 hours for smallest businesses, 72 hours for largest.**
- **Los Angeles: 48 hours for all businesses.**
- **Minneapolis: 48 hours for all businesses over 5 employees (unpaid below).**
- **Montgomery County: 32 hours for smallest businesses, 56 hours for largest.**
- **New York City: 40 hours for all businesses above 4 (unpaid below).**
- **Oakland: 40 hours for smallest businesses, 72 hours for largest.**
- **Philadelphia: 40 hours for all businesses over 9 employees (unpaid below)**
- **Pittsburgh: 24 hours for small businesses, 40 for the largest.**
- **San Diego: 40 hours for all businesses.**
- **San Francisco: 40 hours for small businesses, 72 hours for largest.**
- **Santa Monica 40 hours for smallest businesses, 72 hours for largest.**
- **Seattle: 40 hours for small businesses, 56 hours for medium, 72 hours for largest.**
- **St. Paul: 48 hours for all businesses.**
- **Tacoma: 24 hours for all businesses.**

As you can see, the average amount of time required for small businesses (excluding those that have no paid requirement) is 42 hours. Of the 18 municipalities that require paid sick time, only three have a requirement below 40 hours for their smallest businesses and six are at 48 hours or more. The average for larger businesses is 50 hours, with a majority being at 48 or higher.

At the rate of 24/40 considered at the last meeting, Portland would have one of the lowest municipal minimums for small businesses in the country and we'd be in the bottom third for large businesses. For those with a two-tiered system, 40 hours for our largest businesses would put us in the bottom 15%.

In light of this, I hope the committee will consider staying with the proposed amount of 48 hours across the board. We brought this forward as a compromise that didn't push Portland to the highest marks we have seen, but that seems fair to both employees and employers. And, by not having a tiered system, it will be easier to enforce and won't create perverse incentives.

However, if the committee believes a multi-tier system is better, I would recommend a compromise of 40 and 72 (with 40 going to small businesses below five), as this is the most common split tier system across all municipalities.