BOARD of SUPERVISORS



City Hall 1 Dr. Carlton B. Goodlett Place, Room 244 San Francisco 94102-4689 Tel. No. 554-5184 Fax No. 554-5163 TDD/TTY No. 554-5227

MEMORANDUM

- TO: Greg Suhr, Chief, Police Department Micki Callahan, Director, Department of Human Resources Laurel Kloomok, Executive Director, Children and Families Commission Maria Su, Director, Department of Children, Youth and Their Families Catherine Dodd, Director, Health Service System Trent Rhorer, Executive Director, Human Services Agency Donna Levitt, Division Manager, Office of Labor Standards Enforcement
- FROM: Erica Major, Assistant Committee Clerk, Public Safety and Neighborhood Services Committee, Board of Supervisors
- DATE: February 1, 2016

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Public Safety and Neighborhood Services Committee has received the following proposed legislation, introduced by Supervisor Wiener on January 26, 2016:

File No. 160065

Ordinance amending the Police Code to require employers to provide supplemental compensation to employees who are receiving State Paid Family Leave for purposes of bonding with a new child.

If you have any comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

c: Christine Fountain, Police Department Sergeant Rachael Kilshaw Susan Gard, Department of Human Resources

	FILE NO. 160065 ORDINANCE NO.	
1	[Police Code - Paid Parental Leave for Bonding with New Child]	
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3	Ordinance amending the Police Code to require employers to provide supplemental	
4	compensation to employees who are receiving State Paid Family Leave for purposes of	
5	bonding with a new child.	
6	NOTE: Unchanged Code text and uncodified text are in plain Arial font.	
7	Additions to Codes are in <u>single-underline italics Times New Roman font</u> . Deletions to Codes are in <u>strikethrough italics Times New Roman font</u> .	
8	Board amendment additions are in <u>double-underlined Arial font</u> . Board amendment deletions are in strikethrough Arial font.	
9	Asterisks (* * * *) indicate the omission of unchanged Code subsections or parts of tables.	
10		
11	Be it ordained by the People of the City and County of San Francisco:	
12		
13	Section 1. The Police Code is hereby amended by adding Article 33H, consisting of	
14	Sections 3300H.1 through 3300H.14, to read as follows:	
15	ARTICLE 33H: PAID PARENTAL LEAVE	
16	<u>SEC. 3300H.1. TITLE.</u>	
17	This Article 33H shall be known as the "Paid Parental Leave Ordinance."	
18	<u>SEC. 3300H.2. FINDINGS.</u>	
19	(a) In 2004. California became the first state in the United States to create a family leave	
20	insurance program (referred to herein as "California Paid Family Leave") that provides partial wage	
21	replacement to eligible employees on leave for family caregiving or bonding with a new child. Under	
22	the program, codified at Unemployment Insurance Code Section 3300 et seq., employees who	
23	contribute to the California State Disability Insurance (SDI) fund are entitled to six weeks of partial	
24	pay each year while taking time off from work to bond with a newborn baby, newly adopted child, or	
25	new foster child, or to care for a seriously ill family member.	

1	(b) As of Jan
2	weeks of paid time of
3	with a new child or c
4	using the employee's
5	As of January 2016,
6	weekly benefit amou
7	base period. The Le
8	time off and increase
9	legislation had not b
10	(c) Californi
11	the SDI program, eit
12	(d) Through
13	approved by the Stat
14	billion in payments.
15	<u>child.</u>
16	(e) Babies w
17	<u>be breastfed, taken t</u>
18	<u>a 2015 study, rates c</u>
19	points after develop
20	(f) Experts h
21	<u>to develop between p</u>
22	cues. Short-changin
23	children's cognitive
24	<u>(g) A 2012 s</u>
25	the United States do

nuary 201<u>6, workers eligible for California Paid Family Leave</u> can take up to six ff at 55% of their weekly wages up to a maximum weekly benefit amount to bond care for a seriously ill family member. The weekly benefit amount is determined by s highest-earning calendar quarter during an approximately 12-month base period. the maximum weekly benefit amount is \$1,129. To qualify for this maximum nt, an individual must earn at least \$26,070.92 in a calendar quarter during the gislature is considering legislation that would extend the number of weeks of paid e the weekly benefit amount, but as of the enactment of this Article 33H, the state peen passed.

ia Paid Family Leave is available to nearly all private sector workers who pay into ther through payroll deductions or voluntarily.

2014, approximately 1.8 million California Paid Family Leave claims were te of California Employment Development Department ("EDD") for a total of \$4.6 According to EDD, approximately 90% of claims are for bonding with a new

phose mothers work during the first three months of the baby's life are less likely to o the doctor for well-baby visits, or be up to-date on immunizations. According to of breastfeeding through infancy in California increased by 10-20 percentage ment of the California Paid Family Leave program.

have found that it takes at least several months for a pattern of interaction to begin parent and child where they recognize and learn to respond to each other's distinct ng this time for parents to learn to be responsive caregivers may have impacts for as well as social and emotional development.

survey by the U.S. Department of Labor found that the main reason employees in not take unpaid leave under the federal Family Medical Leave Act is that they

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expanded paid family leave policies.
(h) According to a 2014 report by the California Senate Office of Research, the number of
California Paid Family Leave claims filed by individuals in the lowest income bracket consistently is
much smaller than the number filed by those in the highest income bracket, and claims in the two
lowest income brackets decreased gradually over the prior nine years. Numerous factors may
contribute to this declining participation rate, including the current California Paid Family Leave
wage-replacement rate of 55%, which may provide insufficient income, particularly for low-income
<u>households.</u>
(i) This Article 33H is intended to supplement the California Paid Family Leave partial wage
replacement by providing compensation that, in combination with the California Paid Family Leave
payment, will total 100% of an employee's weekly salary, subject to a weekly maximum benefit amount,
during the six-week leave period, to help ensure that concern over loss of income does not preclude
parents in San Francisco from bonding with their new child.
SEC. 3300H.3. DEFINITIONS.
For purposes of this Article 33H, the following definitions apply:
"Agency" means the Office of Labor Standards Enforcement or any successor department or
<u>office.</u>
"California Paid Family Leave" means the State of California's partial wage replacement

cannot afford to take it. Further, studies show that low-wage workers in particular would benefit from

"California Paid Family Leave" means the State of California's partial wage replacement insurance plan for paid family leave codified at California Unemployment Insurance Code, Division 1, Part 2, Chapter 7 (commencing with Section 3300), as that law may be amended from time to time with respect to eligibility for, duration of, or amount of paid family leave compensation, or any other matter pertaining to paid family leave under that law.

"City" means the City and County of San Francisco.

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	"Covered Employee" means any person, including but not limited to part-time and temporary
	employees, who is employed by a Covered Employer (1) who commenced employment with the Covered
	Employer at least 90 days prior to the start of the leave period, (2) who performs at least eight hours of
	work per week for the employer within the geographic boundaries of the City, (3) at least 40% of whose
	total weekly hours worked for the employer are within the geographic boundaries of the City, and (4)
	who is eligible to receive paid family leave compensation from the State of California under the
8	California Paid Family Leave law for the purpose of bonding with a new child. Where a person's
2	weekly work hours fluctuate from week to week, the Agency shall use an average of the person's weekly
	hours worked for the Covered Employer during the three monthly pay periods, six bi-weekly or semi-
8	monthly, pay periods, or 12 weekly pay periods immediately preceding the leave period for purposes of
	determining whether the person meets the eight-hour and 40% threshold requirements in the foregoing
ŝ.	sentence.
4	"Covered Employer" means any person, as defined in Section 18 of the California Labor Code,
tr.	including corporate officers or executives, who directly or indirectly or through an agent or any other
6110	person, including through the services of a temporary services or staffing agency or similar entity,
	employs or exercises control over the wages, hours, or working conditions of an employee and who
	regularly employs 20 or more employees, regardless of location. Covered Employer shall not include
	the City or any other governmental entity.
	"New Child Bonding" means bonding with the Covered Employee's minor child during the first

<u>"New Child Bonding" means bonding with the Covered Employee's minor child during the first</u> year after the birth of the child or after placement of the child with the Covered Employee through foster care or adoption, per Section 3301 of the California Unemployment Insurance Code.

<u>"State" means the State of California, including the State of California Employment</u> <u>Development Department.</u>

<u>"Supplemental Compensation" means a Covered Employer's obligation to pay a Covered</u> <u>Employee's partial weekly salary in accordance with Section 3300H.4.</u>

SEC. 3300H.4. SUPPLEMENTAL PAID PARENTAL LEAVE.

(a) Applicability. This Article 33H applies to Covered Employees who are receiving California Paid Family Leave benefits for the purpose of New Child Bonding.

(b) Supplemental Compensation.

(1) General.

(A) Except as stated in subsection (b)(2), when a Covered Employee receives California Paid Family Leave compensation for the purpose of New Child Bonding, a Covered Employer shall, during the leave period, supplement the California Paid Family Leave weekly benefit amount that the employee is receiving by paying the employee Supplemental Compensation in an amount such that the total of the California Paid Family Leave compensation the employee is receiving and the Supplemental Compensation provides, but does not exceed, 100% of the employee's current normal gross weekly wage.

(B) If the Covered Employee's weekly wage fluctuates, the employee's normal gross weekly wage shall be calculated based on an average of the employee's weekly earnings from the Covered Employer during the six monthly pay periods, 13 bi-weekly or semi-monthly pay periods, or 26 weekly pay periods immediately preceding the employee's leave period; provided, however, that if the Covered Employee's weekly wage fluctuates and the employee has worked for the Covered Employer for less than 26 weeks, the weekly wage shall be calculated based on an average of the employee's weekly earnings for the entire period of employment to date.

(C) If the California Paid Family Leave weekly benefit amount that the Covered Employee is receiving is based on earnings from a calendar quarter during which the employee earned a higher weekly wage than the employee is receiving at the time of his or her leave, the Supplemental Compensation amount shall be calculated to provide 100% of the employee's normal gross weekly wage in his or her current position; provided, however, that reducing a Covered Employee's wages during the leave period or within 90 days of the employee's having made a request or application for

California Paid Family Leave shall raise a rebuttable presumption that such wage reduction was made to reduce the Covered Employer's Supplemental Compensation obligations under this Section 3300H.4. Unless the Covered Employer rebuts the presumption with clear and convincing evidence that the reduction was solely for a reason other than reducing its obligation to pay Supplemental Compensation, the employer shall be obligated to pay Supplemental Compensation during the leave period based on the employee's prior wage rate.

(2) Maximum Weekly Benefit Amount. In the case of a Covered Employee who is receiving the maximum weekly benefit amount under the California Paid Family Leave law, the Supplemental Compensation shall not be calculated to reach 100% of the employee's total normal gross weekly wage. Rather, the amount of Supplemental Compensation shall be calculated based on the gross wage that is derived from dividing the State's maximum weekly benefit amount by the percentage rate of wage replacement provided under the California Paid Family Leave law.

(3) Termination During Leave Period. A Covered Employer's obligation to provide Supplemental Compensation under this Section 3300H.4 applies only during the period the Covered Employee is eligible for and is receiving California Paid Family Leave benefits for New Child Bonding; provided, however, that if a Covered Employer terminates a Covered Employee during the leave period, the employer's obligation to pay Supplemental Compensation shall continue for the remainder of the California Paid Family Leave period.

(4) Termination Prior to Leave Period. Terminating a Covered Employee prior to the employee's leave period but within 90 days of the employee's having made a request or application for California Paid Family Leave shall raise a rebuttable presumption that such termination was taken to avoid the Covered Employer's Supplemental Compensation obligations under this Section 3300H.4. Unless the Covered Employer rebuts the presumption with clear and convincing evidence that the termination was solely for a reason other than avoidance of its obligation to pay Supplemental

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<u>Compensation, the employer shall be obligated to pay the terminated employee Supplemental</u> <u>Compensation during the leave period.</u>

(5) Unused Vacation Leave. To be eligible to receive Supplemental Compensation under this Section 3300H.4, a Covered Employee must consent to allowing a Covered Employer, in the employer's discretion, to apply up to two weeks of unused vacation leave that the employee has accrued as of the start of the leave period to help meet the employer's obligation under this Section to provide Supplemental Compensation during the leave period. The foregoing sentence shall not prevent a Covered Employer, in the employer's discretion, from requiring a Covered Employee to take up to two weeks of earned but unused vacation leave prior to the employee's initial receipt of California Paid Family Leave compensation as allowed under subsection (c) of Section 3303.1 of the California Unemployment Insurance Code, as amended, in addition to or in lieu of exercising the option provided in the foregoing sentence.

(6) Voluntary Plans. A Covered Employer who has received State approval to pay California Paid Family Leave compensation through a voluntary disability insurance plan in accordance with California Unemployment Insurance Code, Division 1, Part 2, Chapter 6 (commencing with Section 3251) must comply with the Supplemental Compensation requirements of this Section 3300H.4 either by providing the Supplemental Compensation through the approved voluntary plan or by paying Supplemental Compensation directly to the Covered Employee.

(c) Integration/Coordination of Benefits. In accordance with California Unemployment Insurance Code Section 2656, a Covered Employee who is receiving California Paid Family Leave benefits may not receive Supplemental Compensation under this Article 33H which would result in the employee's receiving total compensation while on paid parental leave that is greater than the employee's normal gross weekly wages. As a precondition of receiving Supplemental Compensation, a Covered Employee must either (1) provide the Covered Employer with a copy of the employee's Notice of Computation of California Paid Family Leave Benefits from the State or other legally authorized

statement, or (2) provide the State with written authorization to disclose the weekly benefit amount to the employer. A Covered Employee's failure to comply with this requirement shall relieve the Covered Employer of its obligation to provide the employee with Supplemental Compensation.

(d) Existing Paid Parental Leave Policies. This Article 33H does not require a Covered Employer to provide Supplemental Compensation under Section 3300H.4 to a Covered Employee if the employer's existing policy provides the employee with at least six weeks fully paid parental leave within any twelve-month period for purposes of New Child Bonding, whether or not such paid leave includes California Paid Family Leave benefits.

SEC. 3300H.5. NOTICE AND POSTING.

(a) The Agency shall, by the operative date of this Article 33H, publish and make available to Covered Employers, in all languages spoken by more than 5% of the San Francisco workforce, a notice suitable for posting by employers in the workplace informing employees of their rights under this Article. The Agency shall update this notice on December 1 of any year in which there is a change in the languages spoken by more than 5% of the San Francisco workforce. In its discretion, the Agency may combine the notice required herein with one or more other notices it is required to publish and make available to employers under other provisions of City law.

(b) Every Covered Employer shall post in a conspicuous place at any workplace or job site where any Covered Employee works the notice required by subsection (a). Every Covered Employer shall post this notice in English, Spanish, Chinese, and any language spoken by at least 5% of the employees at the workplace or job site.

SEC. 3300H.6. EMPLOYER RECORDS.

(a) Covered Employers shall retain records documenting Supplemental Compensation paid to employees as required by this Article 33H, for a period of four years, and shall allow the Agency access to such records, with appropriate notice and at a mutually agreeable time, to monitor compliance with the requirements of this Article 33H.

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(b) When an issue arises as to an employee's entitlement to Supplemental Compensation under this Article 33H, if the Covered Employer does not maintain or retain adequate records documenting Supplemental Compensation paid to the employee, or does not allow the Agency reasonable access to such records, it shall be presumed that the employer has violated this Article, absent clear and convincing evidence otherwise.

SEC. 3300H.7. EXERCISE OF RIGHTS PROTECTED; RETALIATION PROHIBITED.

(a) It shall be unlawful for a Covered Employer or any other person to interfere with, restrain, or deny the exercise of or the attempt to exercise, any right protected under this Article 33H.

(b) It shall be unlawful for a Covered Employer or any other person to discharge, threaten to discharge, demote, suspend, or in any manner discriminate or take adverse action against any person in retaliation for exercising rights to Supplemental Compensation protected under this Article 33H. Such rights include but are not limited to the right to Supplemental Compensation pursuant to this Article; the right to file a complaint or inform any person about any employer's alleged violation of this Article; the right to cooperate with the Agency in its investigations of alleged violations of this Article; and the right to inform any person of his or her possible rights under this Article.

(c) Protections of this Section 3300H.7 shall apply to any person who mistakenly but in good faith alleges violations of this Article 33H.

(d) Taking adverse action against a person within 90 days of the person's filing a complaint with the Agency or a court alleging a violation of any provision of this Article 33H; of informing any person about an employer's alleged violation of this Article; of cooperating with the Agency or other persons in the investigation or prosecution of any alleged violation of this Article; of opposing any policy, practice, or act that is unlawful under this Article; or of informing any person of his or her rights under this Article, shall raise a rebuttable presumption that such adverse action was taken in retaliation for the exercise of one or more of the aforementioned rights. Unless the Covered Employer

<u>rebuts the presumption with clear and convincing evidence that the adverse action was solely for a</u> <u>reason other than retaliation, the employer shall be deemed to have violated this Section 3300H.7.</u>

SEC. 3300H.8. IMPLEMENTATION AND ENFORCEMENT.

(a) Implementation. The Agency shall be authorized to coordinate implementation and enforcement of this Article 33H and may promulgate appropriate guidelines or rules for such purposes. Any guidelines or rules promulgated by the Agency shall have the force and effect of law and may be relied on by employers, employees, and other persons to determine their rights and responsibilities under this Article. Any guidelines or rules may establish procedures for ensuring fair, efficient, and cost-effective implementation of this Article, including supplementary procedures for helping to inform employees of their rights under this Article, for monitoring employer compliance with this Article, and for providing administrative hearings to determine whether an employer or other person has violated the requirements of this Article.

(b) Administrative Enforcement.

(1) The Agency is authorized to take appropriate steps to enforce this Article 33H. The Agency may investigate any possible violations of this Article by an employer or other person. Where the Agency has reason to believe that a violation has occurred, it may order any appropriate temporary or interim relief to mitigate the violation or maintain the status quo pending completion of a full investigation or hearing.

(2) Where the Agency, after a hearing that affords a suspected violator due process, determines that a violation has occurred, it may order any appropriate relief including, but not limited to, the payment of any Supplemental Compensation unlawfully withheld, and the payment of an additional sum as an administrative penalty to each employee or person whose rights under this Article 33H were violated. If any Supplemental Compensation was unlawfully withheld, the dollar amount of Supplemental Compensation withheld from the employee multiplied by three, or \$250.00, whichever amount is greater, shall be included in the administrative penalty paid to the employee. In addition, if

a violation of this Article resulted in other harm to the employee or any other person, or otherwise violated the rights of employees or other persons, such as a failure to post the notice required by Section 3300H.5, or an act of retaliation prohibited by Section 3300H.7, this administrative penalty shall also include \$50.00 to each employee or person whose rights under this Article were violated for each day or portion thereof that the violation occurred or continued.

(3) Where prompt compliance is not forthcoming, the Agency may take any appropriate enforcement action to secure compliance, including initiating a civil action, except where prohibited by State or Federal law, requesting that City agencies or departments revoke or suspend any registration certificates, permits, or licenses held or requested by the employer or person until such time as the violation is remedied. In order to compensate the City for the costs of investigating and remedying the violation, the Agency may also order the violating employer or person to pay to the City a sum of not more than \$50.00 for each day or portion thereof and for each employee or person as to whom the violation occurred or continued. Such funds shall be allocated to the Agency and used to offset the costs of implementing and enforcing this Article 33H.

(4) An employee or other person may report to the Agency any suspected violation of this Article 33H. The Agency shall encourage reporting pursuant to this subsection (b)(4) by keeping confidential, to the maximum extent permitted by applicable laws, the name and other identifying information of the employee or person reporting the violation. Provided, however, that with the authorization of such person, the Agency may disclose his or her name and identifying information as necessary to enforce this Article or for other appropriate purposes.

(c) Civil Enforcement. The Agency, the City Attorney, any person aggrieved by a violation of this Article 33H, any entity a member of which is aggrieved by a violation of this Article, or any other person or entity acting on behalf of the public as provided for under applicable State law, may bring a civil action in a court of competent jurisdiction against the employer or other person violating this Article and, upon prevailing, shall be entitled to such legal or equitable relief as may be appropriate to

remedy the violation including, but not limited to, reinstatement, back pay, the payment of any
Supplemental Compensation unlawfully withheld, the payment of an additional sum as liquidated
damages in the amount of \$50.00 to each employee or person whose rights under this Article were
violated for each day or portion thereof that the violation occurred or continued, plus, where the
Covered Employer has unlawfully withheld Supplemental Compensation to a Covered Employee, the
dollar amount of Supplemental Compensation withheld from the employee multiplied by three; or
\$250.00, whichever amount is greater; and/or injunctive relief; and, further, shall be awarded
reasonable attorneys' fees and costs. Provided, however, that any person or entity enforcing this
Article on behalf of the public as provided for under applicable State law shall, upon prevailing, be
entitled only to equitable, injunctive or restitutionary relief, and reasonable attorneys' fees and costs.
(d) Interest. In any administrative or civil action brought under this Article 33H, the Agency or
court, as the case may be, shall award interest on all amounts due and unpaid at the rate of interest
specified in subdivision (b) of Section 3289 of the California Civil Code.
(e) Remedies Cumulative. The remedies, penalties, and procedures provided under this Article
<u>33H are cumulative.</u>
SEC. 3300H.9. WAIVER THROUGH COLLECTIVE BARGAINING.
All or any portion of the applicable requirements of this Article 33H shall not apply to
employees covered by a bona fide collective bargaining agreement to the extent that such requirements
are expressly waived in the collective bargaining agreement in clear and unambiguous terms.
SEC. 3300H.10. OTHER LEGAL REQUIREMENTS.
(a) This Article 33H provides minimum requirements pertaining to paid parental leave as

applicability of any other law, regulation, requirement, policy, or standard that provides for greater parental leave, whether paid or unpaid, or that extends other protections to employees.

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(b) This Article 33H provides minimum requirements pertaining to paid parental leave and shall not be construed to prevent employers from adopting or retaining leave policies that are more generous than policies that comply with this Article.

(c) This Article 33H is intended to supplement other available sources of income during specified periods of leave to which the employee is otherwise eligible. Nothing in this Article shall be construed to expand, reduce, or otherwise affect the total amount of parental or other leave time available to employees under federal, state, or local law.

SEC. 3300H.11. UNDERTAKING FOR THE GENERAL WELFARE.

In enacting and implementing this Article 33H, the City is assuming an undertaking only to promote the general welfare. It is not assuming, nor is it imposing on its officers and employees, an obligation for breach of which it is liable in money damages to any person who claims that such breach proximately caused injury.

SEC. 3300H.12. SEVERABILITY.

If any section, subsection, sentence, clause, phrase, or word of this Article 33H, or any application thereof to any person or circumstance, is held to be invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions or applications of the Article. The Board of Supervisors hereby declares that it would have passed this Article and each and every section, subsection, sentence, clause, phrase, and word not declared invalid or unconstitutional without regard to whether any other portion of this Article or application thereof would be subsequently declared invalid or unconstitutional.

SEC. 3300H.13. NO CONFLICT WITH FEDERAL OR STATE LAW.

Nothing in this Article 33H shall be interpreted or applied so as to create any requirement, power, or duty in conflict with any federal or state law.

SEC. 3300H.14. EXPIRATION OF ARTICLE.

This Article 33H shall expire by operation of law if the State Legislature amends the California Paid Family Leave program such that the weekly benefits provided under that program amount to 100% of an eligible employee's weekly wages. Upon certification from the City Attorney to the Clerk of the Board of Supervisors that such a change in State law has occurred, the City Attorney shall cause the Article to be removed from the Police Code.

Section 2. Effective and Operative Dates.

(a) Effective Date. This ordinance shall become effective 30 days after enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board of Supervisors overrides the Mayor's veto of the ordinance.

(b) Operative Date. This ordinance shall become operative 120 days after enactment.

APPROVED AS TO FORM: DENNIS J. HERRERA, City Attorney

uner Bv: **Deputy City Attorney**

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