1	[Police Code - Fair Scheduling and Treatment of Formula Retail Employees]
2	
3	Ordinance amending the Police Code to require Formula Retail Establishments to
4	provide employees with two weeks' notice of work schedules, notice of changes to
5	work schedules, and compensation for schedule changes made on less than seven
6	days' notice and unused on-call shifts, and provide part-time employees with the same
7	starting rate of hourly pay, access to time off, and eligibility for promotions as that
8	provided to full-time employees.
9	NOTE: Unchanged Code text and uncodified text are in plain Arial font.
10	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> .
11	Board amendment additions are in double-underlined Arial font. Board amendment deletions are in strikethrough Arial font.
12	Asterisks (* * * *) indicate the omission of unchanged Code subsections or parts of tables.
13	
14	Be it ordained by the People of the City and County of San Francisco:
15	
16	Section 1. The Police Code is hereby amended by adding Article 33G, consisting of
17	Sections 3330G.1 through 3300G.15, to read as follows:
18	
19	ARTICLE 33G: PREDICTABLE SCHEDULING AND FAIR TREATMENT FOR FORMULA
20	<u>RETAIL EMPLOYEES.</u>
21	
22	<u>SEC. 3300G.1. TITLE.</u>
23	This Article shall be known as the "Predictable Scheduling and Fair Treatment for Formula
24	Retail Employees Ordinance."
25	

SEC. 3300G.2. FINDINGS AND PURPOSE.

2 (a) Formula retail establishments are a major employment base in the City and County of San

Francisco ("City"). As of September 2014, there were approximately 1,250 formula retail

establishments in the City, accounting for 12% of all retailers. There are approximately 35,000

persons employed by these formula retail establishments in the City, accounting for approximately 5 to

6% of the City's total wage and salary employment. The City has a strong interest in ensuring that the

jobs these formula retail establishments provide allow employees to meet their basic needs and achieve

economic security.

(b) Erratic and on-call scheduling practices have become pervasive in formula retail establishments, particularly in stores and restaurants and bars, which represent 83% of formula retail establishments in the City. Nationally, almost two-thirds of food service employees and half of formula retail store employees receive their work schedules one week or less in advance. The majority of these employees experience significant fluctuations in their work hours from week to week and month to month. According to a recent survey of employees at chain stores and large stores, only 40% of those surveyed have consistent minimum hours per week, one quarter of the employees are scheduled for on-call shifts, and the vast majority find out from a supervisor if they are needed for the on-call shift only two hours before the shift starts.

(c) Many formula retail establishments use computer software that automatically generates work schedules for their employees. The schedules generated by such software are frequently erratic and unpredictable, and provide employees with minimal notice of their upcoming shifts. Companies seldom encourage managers to adjust those schedules to accommodate the needs of their employees. A recent national study shows that although companies could use the software to provide predictable schedules and greater notice to their employees, few have done so. An August 2014 New York Times article described how Starbucks Coffee uses this software to create the schedules of its 130,000 baristas, often resulting in an unpredictable and erratic work schedule for employees. Less than a

1	week after the article's publication, Starbucks announced that it planned to change its policy to give
2	employees more advance notice of their work schedules and to allow managers more latitude to
3	accommodate the needs of employees.
4	(d) Many employees of San Francisco formula retail establishments are impacted by
5	unpredictable scheduling practices such as frequent and last-minute changes to their work schedules,
6	and use of "on-call" scheduling. In a recent survey of food retail employees in four regions of
7	<u>California – including the San Francisco Bay Area – 25% of employees reported employers requiring</u>
8	availability for on-call shifts, and almost half reported having little or no input on their work schedules.
9	Unpredictable scheduling practices and last-minute work schedule changes cause workers who are
10	already struggling with low wages to live in a constant state of insecurity about when they will work or
11	how much they will earn on any given day.
12	(e) Unpredictable work scheduling practices are detrimental to San Francisco employees and
13	their families because they (1) lead to income instability, making it hard for employees to plan their
14	finances and obtain economic security; (2) create work-family conflicts that make it difficult for
15	employees to plan their child care, care giving duties, and transportation; and (3) prevent part-time
16	employees from pursuing educational opportunities or holding a second or third job that such workers
17	may need to make ends meet. Retail industry research in New York City found that more than half of
18	family caregivers in the retail industry must be available for on-call shifts, forcing them to arrange for
19	child or elder care at the last minute. Women are also more likely than men to work part-time and
20	experience unpredictability in their work schedules; one study found that women were 64% of the
21	frontline part-time workforce among retail workers.
22	(f) As of September 2014, according to the Bureau of Labor Statistics, there were 7.3 million
23	"involuntary part-time workers" in the United States. These individuals were working part time
24	because their hours had been cut back or because they were unable to find a full-time job. According
25	to Census data since 2006, the number of "involuntary part-time employees" in California nearly

1	tripled to 1.1 million employees. According to the Bureau of Labor Statistics, less than half of the retain
2	workforce nationwide works full time, and the number of those working fewer than 20 hours per week
3	has grown by 14% in the past decade. In 2012, nearly 111,000 employees in the City – or 23% of the
4	City's workforce – were employed part-time. Employers sometimes treat part-time employees less
5	favorably than full-time employees. For example, the majority of full-time employees nationally earn
6	more per hour than their part-time counterparts.
7	(g) Half of formula retailers in the City each have more than 1,000 locations nationwide,
8	whereas only 5% of formula retailers in the City have less than 20 locations nationwide. Given the
9	number of employees working for formula retail establishments in the City, these businesses are well
10	positioned to implement fair and predictable scheduling practices for their employees. Even some
11	small local businesses in the City that do not meet the definition of "formula retail" have implemented
12	predictable scheduling practices such as giving employees 14 days advance notice of their schedules.
13	(h) The purpose of this Article 33G is to provide formula retail employees with more
14	predictable, stable work schedules that are essential to their ability to earn a living and ensure a
15	healthy and decent life for themselves and their families, and ensure that part-time employees in these
16	establishments are treated fairly and equally compared to their full-time counterparts.
17	
18	SEC. 3300G.3. DEFINITIONS.
19	For purposes of this Article 33G, the following definitions apply:
20	"Agency" shall mean the City's Office of Labor Standards Enforcement.
21	"City" shall mean the City and County of San Francisco.
22	"Employee" shall have the same meaning as the definition of "Employee" in Section 12R.3 of
23	the Minimum Wage Ordinance (Administrative Code Chapter 12R), as amended from time to time,
24	except that Employee shall also mean any Person who, in a particular week, is scheduled for an On-
25	

1	Call Shift for at least two hours for an Employer within the geographic boundaries of the City,
2	regardless of whether the person is required to report to work for such shift.
3	"Employer" shall mean any Person that owns or operates a Formula Retail Establishment with
4	20 or more Employees in the City, including corporate officers or executives, who directly or indirectly
5	or through an agent or any other person, including through the services of a temporary services or
6	staffing agency or similar entity, employs or exercises control over the wages, hours or working
7	conditions of any individual. For the purpose of calculating the 20-employee threshold referenced
8	herein, Employees performing work in different or other Formula Retail Establishments in the City that
9	are owned or operated by the same Employer shall be counted. "Employer" does not include a
10	Nonprofit Corporation or governmental entity.
11	"Formula Retail Establishment" shall mean a business located in San Francisco that falls
12	under the Planning Code's definition of "Formula Retail Use," as amended from time to time.
13	"Full-time" shall mean 35 or more hours of work in each work week.
14	"On-Call Shift" shall mean any shift where an Employee is required, less than 24 hours in
15	advance of the start of a potential work shift, to either contact the Employer or wait to be contacted by
16	the Employer to learn whether the Employee must report to work for such shift.
17	"Person" shall mean an individual, proprietorship, corporation, partnership, limited
18	partnership, limited liability partnership or company, trust, business trust, estate, association, joint
19	venture, agency, instrumentality, or any other legal or commercial entity, whether domestic or foreign.
20	"Part-time" shall mean fewer than 35 hours of work in each work week.
21	
22	SEC. 3300G.4. ADVANCE NOTICE OF WORK SCHEDULES AND CHANGES IN WORK
23	SCHEDULES.
24	(a) Initial Estimate of Minimum Hours.
25	

1	(1) Prior to the start of employment, an Employer shall provide a new Employee in
2	writing with a good faith estimate of the Employee's expected minimum number of scheduled shifts per
3	month, and the days and hours of those shifts. The estimate shall not include On-Call Shifts. The
4	estimate shall not constitute a contractual offer and the Employer shall not be bound by the estimate.
5	(2) Prior to the start of employment, the Employee may request that the Employer
6	modify the proposed work schedule provided under subsection (a)(1) of this Section 3300G.4. The
7	Employer shall consider any such request, and may accept or reject the request in its sole discretion,
8	provided that the Employer shall notify the Employee of its determination prior to the start of
9	employment.
10	(b) Two Weeks' Notice of Work Schedules.
11	An Employer shall provide its Employees with at least two weeks' notice of their work schedules
12	by doing one of the following at least every 14 days (on a "Biweekly Schedule"): (1) posting the work
13	schedule in a conspicuous place at the workplace that is readily accessible and visible to all
14	Employees, or (2) transmitting the work schedule by electronic means, so long as all Employees are
15	given access to the electronic schedule at the workplace. For new Employees, an Employer shall
16	provide the new Employee on his or her first day of employment with an initial work schedule that runs
17	through the date that the next Biweekly Schedule for existing Employees is scheduled to be posted or
18	distributed; thereafter, the Employer shall include the new Employee in an existing Biweekly Schedule
19	with other Employees. For all Employees, the work schedule shall include any On-Call Shifts, where
20	applicable. If the Employer changes the work schedule after it is posted and/or transmitted, such
21	changes shall be subject to the notice and compensation requirements set forth in subsection (c) of this
22	<u>Section 3330G.4.</u>
23	(c) Notice and Compensation For Schedule Changes.
24	(1) Notice Required. An Employer shall provide an Employee notice of any change to
25	the Employee's schedule that has been posted or transmitted pursuant to subsection (b) of this Section

1	3300G.4. The Employer shall provide such notice by in-person conversation, telephone call, or by
2	email, text or other electronic communication. This notice requirement shall not apply to any schedule
3	changes that the Employee requests (as opposed to schedule changes that the Employer mandates),
4	such as Employee-requested sick leave, time off or shift trades.
5	(2) Predictability Pay For Schedule Changes. Subject to the exceptions in subsection
6	(e) of this Section 3300G.4, an Employer shall provide an Employee with the following compensation
7	per shift for each shift that the Employer moves to another date or time, cancels, or requires the
8	Employee to come into work:
9	(A) With less than seven days' notice but 24 hours or more notice to the
10	Employee, one hour of pay at the Employee's regular hourly rate;
11	(B) With less than 24 hours' notice to the Employee, two hours of pay at the
12	Employee's regular hourly rate for each shift of four hours or less; and
13	(C) With less than 24 hours' notice to the Employee, four hours of pay at the
14	Employee's regular hourly rate for each shift of more than four hours.
15	Where the Employee is required to come into work, the compensation mandated by this
16	subsection (c)(2) shall be in addition to the Employee's regular pay for working that shift. This
17	subsection (c)(2) shall not apply to On-Call Shifts, which are governed by subsection (d) of this Section
18	<u>3300G.4.</u>
19	(d) Pay for On-Call Shifts. Subject to the exceptions in subsection (e) of this Section 3300G.4,
20	an Employer shall provide an Employee with the following compensation for each On-Call Shift for
21	which the Employee is required to be available but is not called in to work:
22	(1) Two hours of pay at the Employee's regular hourly rate for each On-Call Shift of
23	four hours or less; and
24	(2) Four hours of pay at the Employee's regular hourly rate for each On-Call Shift of
25	more than four hours.

1	The provisions of this subsection (d) of this Section 3300G.4 shall not apply when (i) the
2	Employee is in fact called in for the On-Call Shift or (ii) the Employer provides the Employee with 24
3	hours or more notice that the On-Call Shift has been cancelled or moved to another date or time.
4	(e) Exceptions. The requirements in subsection (c) and subsection (d) of this Section
5	3300G.4 shall not apply under any of the following circumstances:
6	(A) Operations cannot begin or continue due to threats to Employees or
7	property, or when civil authorities recommend that work not begin or continue;
8	(B) Public utilities fail to supply electricity, water, or gas, or there is a failure in
9	the public utilities, or sewer system;
10	(C) The interruption of work is caused by an Act of God or other cause not
11	within the Employer's control, for example, an earthquake or a state of emergency declared by the
12	Mayor or the Governor;
13	(D) Another Employee previously scheduled to work that shift is unable to work
14	due to illness, vacation, or employer provided paid or unpaid time off where the Employer did not
15	receive at least seven days advance notice of the absence;
16	(E) Another Employee previously scheduled to work during that shift has not
17	reported to work on time and/or is fired or sent home or told to stay home as a disciplinary action;
18	(F) The Employer requires the Employee to work overtime (i.e., mandatory
19	overtime); or
20	(G) The Employee trades shifts with another Employee or the Employee requests
21	from the Employer a change in shift(s), hours or work schedule.
22	(f) Nothing in this Section 3300G.4 shall be construed to prohibit an Employer from providing
23	greater advance notice of Employees' work schedules and/or changes in schedules than that required
24	by this Section.
25	

1	SEC. 3300G.5. EQUAL TREATMENT FOR PART-TIME EMPLOYEES.
2	(a) Hourly Wage. Employers shall provide Part-Time Employees with the same starting hourly
3	wage as that provided to starting Full-Time Employees who hold jobs that require equal skill, effort,
4	and responsibility, and that are performed under similar working conditions, provided that hourly pay
5	differentials between Part-Time and Full-Time Employees are permissible if such differentials are
6	based on reasons other than the Part-Time status of the Employee, such as a seniority system, merit
7	system, system which measures earnings by quantity or quality of production, performance or
8	responsibilities. This subsection (a) shall not impact the minimum hourly requirements for receipt of
9	benefits including but not limited to health care benefits.
10	(b) Access to Time Off. Employers shall provide Part-Time Employees with the same access to
11	Employer provided paid and unpaid time off as that afforded to Full-Time Employees for the same job
12	classification. A Part-Time Employee's eligibility for Employer provided paid or unpaid time off may
13	be pro-rated based on the number of hours that the Part-Time Employee is scheduled to work. This
14	subsection (b) shall not apply to Employers that are subject to the Minimum Compensation Ordinance,
15	Administrative Code Section 12P.
16	(c) Eligibility for Promotions. Employers shall provide Part-Time Employees with the same
17	eligibility for promotions as that afforded to Full-Time Employees for the same job classification,
18	provided that an Employer may condition eligibility for promotion on the Employee's availability for
19	Full-Time employment and on experience level.
20	
21	SEC. 3300G.6. CONFLICT WITH FAMILY FRIENDLY WORKPLACE ORDINANCE.
22	If there is an unavoidable conflict between any requirement of this Article and any requirement
23	of the San Francisco Family Friendly Workplace Ordinance, Chapter 12Z of the Administrative Code,

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the requirements of this Article shall prevail.

1	SEC. 3300G.7. EXERCISE OF RIGHTS PROTECTED; RETALIATION PROHIBITED.
2	(a) It shall be unlawful for an Employer or any other Person to interfere with, restrain, or deny
3	the exercise of, or the attempt to exercise, any right protected under this Article.
4	(b) It shall be unlawful for an Employer to discharge, threaten to discharge, demote, suspend,
5	or otherwise take adverse employment action against any Employee in retaliation for exercising rights
6	protected under this Article. Such rights include but are not limited to:
7	(1) the right to request a modification to their initial proposed work schedule provided
8	under Section 3300G.4(a);
9	(2) the right to inform any person about an Employer's alleged violation of this Article;
10	(3) the right to file a complaint with the Agency alleging a violation of any provision of
11	this Article;
12	(4) the right to cooperate with the Agency or other persons in the investigation or
13	prosecution of any alleged violation of this Article;
14	(5) the right to oppose any policy, practice, or act that is unlawful under this Article; or
15	(6) the right to inform any person of his or her rights under this Article.
16	
17	SEC. 3300G.8. INVESTIGATION AND ADMINISTRATIVE ENFORCEMENT BY THE
18	AGENCY.
19	(a) Authority. The Agency is authorized to take appropriate steps to enforce and coordinate
20	enforcement of this Article 33G, including the investigation of any possible violations of this Article.
21	(b) Determination of Violation and Penalties.
22	(1) Where the Agency has reason to believe that a violation has occurred, it may order
23	any appropriate temporary or interim relief to mitigate the violation or maintain the status quo pending
24	completion of a full investigation.
25	

1	(2) After investigating a possible violation of this Article, and providing the Employer
2	the opportunity to respond to the allegations, if the Agency determines that a violation has occurred, it
3	may issue a Determination of Violation. The Determination of Violation shall identify the violation and
4	the factual basis for the determination. The Agency shall serve the Determination of Violation on the
5	Employer by United States mail and the date of service shall be the date of mailing. In the
6	Determination of Violation, the Agency may order any appropriate relief including, but not limited to,
7	requiring the Employer to offer payment of lost wages to the Employee or person whose rights under
8	this Article were violated, and the payment of an additional sum as an administrative penalty in the
9	amount of \$50 to each Employee or person whose rights under this Article were violated for each day
10	that the violation occurred or continued. In order to compensate the City for the costs of investigating
11	and remedying the violation, the Agency may also order the violating Employer to pay to the City an
12	amount that does not exceed its enforcement costs.
13	(c) Appeal Procedure. An Employer may appeal from a Determination of Violation in
14	accordance with the following procedures:
15	(1) Any appeal from a Determination of Violation (referred to in this subsection (c) as
16	"Appeal") shall be filed in writing by the party filing the appeal (referred to as "Appellant") within 15
16 17	"Appeal") shall be filed in writing by the party filing the appeal (referred to as "Appellant") within 15 days of the date of service of the Determination of Violation. Appellant shall file the Appeal with the
17	days of the date of service of the Determination of Violation. Appellant shall file the Appeal with the
17 18	days of the date of service of the Determination of Violation. Appellant shall file the Appeal with the City Controller and serve a copy on the Agency. Failure by the Appellant to submit a timely, written
17 18 19	days of the date of service of the Determination of Violation. Appellant shall file the Appeal with the City Controller and serve a copy on the Agency. Failure by the Appellant to submit a timely, written Appeal shall constitute concession to the violation, and the violation shall be deemed final upon
17 18 19 20	days of the date of service of the Determination of Violation. Appellant shall file the Appeal with the City Controller and serve a copy on the Agency. Failure by the Appellant to submit a timely, written Appeal shall constitute concession to the violation, and the violation shall be deemed final upon expiration of the 15-day period.
17 18 19 20 21	days of the date of service of the Determination of Violation. Appellant shall file the Appeal with the City Controller and serve a copy on the Agency. Failure by the Appellant to submit a timely, written Appeal shall constitute concession to the violation, and the violation shall be deemed final upon expiration of the 15-day period. (2) The Agency shall promptly afford Appellant an opportunity to meet and confer in

1	(3) After the expiration of 30 days following the date the Appeal is filed, any party may
2	request in writing, with concurrent notice to all other parties, that the Controller appoint a hearing
3	officer to hear and decide the appeal. If no party requests appointment of a hearing officer, the Notice
4	of Violation shall be deemed final on the 60th day after the date the Appeal is filed.
5	(4) Within 15 days of receiving a written request for appointment of a hearing officer,
6	the Controller shall appoint an impartial hearing officer and immediately notify Agency and Appellant,
7	and their respective counsel or authorized representative if any, of the appointment. The appointed
8	hearing officer shall be an Administrative Law Judge or an attorney with not fewer than five years'
9	experience in labor law and/or wage and hour matters.
10	(5) The hearing officer shall promptly set a date for a hearing. The hearing must
11	commence within 45 days of the date of the Agency's notice of appointment of the hearing officer, and
12	conclude within 75 days of such notice. The hearing officer shall conduct a fair and impartial
13	evidentiary hearing in conformance with the time limitations set forth in this subsection (c)(5) and in
14	any applicable rules and regulations, so as to avoid undue delay in the resolution of any appeal. The
15	hearing officer shall have the discretion to extend the times under this subsection (c)(5), and any time
16	requirements under any applicable rules and regulations, only upon a determination of good cause.
17	(6) Appellant shall have the burden of proving by a preponderance of the evidence that
18	the basis for the Determination of Violation, including the amount of lost wages, interest, and penalty
19	payments at issue in the appeal, is incorrect.
20	(7) Within 30 days of the conclusion of the hearing, the hearing officer shall issue a
21	written decision affirming, modifying, or dismissing the Determination of Violation. The decision of the
22	hearing officer shall consist of findings and a determination. The hearing officer's findings and
23	determination shall be the final administrative determination.
24	
25	

1	(8) Appellant may appeal a final administrative determination only by filing in San
2	Francisco Superior Court a petition for a writ of mandate under California Code of Civil Procedure,
3	section 1094.5, et seq., as applicable and as may be amended from time to time.
4	(9) Failure to appeal a Determination of Violation shall constitute a failure to exhaust
5	administrative remedies, which shall serve as a complete defense to any petition or claim brought by
6	the Employer, Incumbent Employer or Successor Employer against the City regarding the Agency's
7	Determination of Violation.
8	(d) Compliance. Where prompt compliance with a Determination of Violation is not
9	forthcoming, the Agency may take any appropriate enforcement action to secure compliance, including
10	referring the action to the City Attorney to consider initiating a civil action pursuant to Section
11	<u>3300F.12.</u>
12	(e) Reporting Violations. An Employee or any individual who has reason to believe that a
13	violation of this Article has occurred may report to the Agency any suspected violation of this Article.
14	The Agency shall encourage reporting pursuant to this subsection (e) by keeping confidential, to the
15	maximum extent permitted by applicable laws, the name and other identifying information of the
16	individual reporting the violation; provided, however, that with the authorization of the reporting
17	individual, the Agency may disclose his or her name and identifying information as necessary to
18	enforce this Article or for other appropriate purposes.
19	(f) Report to the Board of Supervisors. On January 31, 2016, January 31, 2017, and January
20	31, 2018, and then on January 31st of every even-numbered year thereafter, the Agency shall provide a
21	written report to the Board of Supervisors regarding this Article 33G. The report shall include, but not
22	be limited to, a discussion of the implementation and enforcement of this Article 33G, including the
23	number of violations and the penalties assessed in the prior year. The report may also include
24	recommendations from the Agency for possible improvements to this Article 33G.
25	

The City Attorney or any Employee or applicant for employment aggrieved by a violation of this Article 33G may bring a civil action in a court of competent jurisdiction against an Employer, for violating any requirement of this Article and, upon prevailing, shall be entitled to such legal or equitable relief as may be appropriate to remedy the violation including, without limitation, the payment of lost wages, the payment of an additional sum as a civil penalty not to exceed to the amount awarded for lost wages, and reinstatement in employment and/or injunctive relief, and 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.

SEC. 3300G.10. AGENCY MAY ADOPT REGULATIONS.

The Agency may promulgate appropriate guidelines or rules to implement this Article 33G.

Such guidelines or rules shall be consistent with this Article 33G and may be relied on by Employers,

Employees, and other persons to determine their rights and responsibilities under this Article. Such

guidelines or rules may establish procedures for ensuring fair, efficient, and cost-effective

implementation and enforcement of this Article, including supplementary procedures for helping to

inform Employees of their rights under this Article and for monitoring Employer compliance.

SEC. 3300G.11. WAIVER UNDER COLLECTIVE BARGAINING AGREEMENT.

A bona fide collective bargaining agreement may waive all or any portion of the applicable requirements of this Article 33G, provided the agreement explicitly states the waiver in clear and unambiguous terms. In the event of a conflict between a requirement of this Article 33G and a requirement of a collective bargaining agreement, the requirement of the collective bargaining agreement shall control.

1	ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
2	of Supervisors overrides the Mayor's veto of the ordinance.
3	
4	APPROVED AS TO FORM: DENNIS J. HERRERA, City Attorney
5	
6	By:
7	FRANCESCA GESSNER Deputy City Attorney
8	n:\legana\as2014\1500104\00960861.doc
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