



**TO:** T.C. Broadnax, City Manager  
**FROM:** Anita Gallagher, Management Analyst-II, City Manager's Office  
**COPY:** City Council and City Clerk  
**SUBJECT:** Ordinance—Minimum Standards for Paid Leave      December 16, 2014  
**DATE:** December 11, 2014

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**SUMMARY:**

Mayor Marilyn Strickland proposes an Ordinance establishing minimum standards for the provision of paid leave to employees working in the City of Tacoma.

**COUNCIL SPONSORS:**

Mayor Marilyn Strickland and Council Members Campbell, Mello, and Walker

**STRATEGIC POLICY PRIORITY:**

The requested Resolution aligns with the City Council's Strategic Policy Priority to **strengthen and support Public Safety, Human Services, Public Education, and Diverse Higher Learning Opportunities in Tacoma.**

**BACKGROUND:**

In the absence of state laws establishing minimum standards for the provision of paid leave, several jurisdictions throughout the United States have implemented their own policies. Such policies are intended to reduce the financial hardship on workers when they need to miss work due to an illness. Many jurisdictions also allow for workers to utilize paid leave time to care for a family member, for domestic violence and sexual assault-related reasons, or for a public health emergency. These policies typically provide for paid leave time to be accrued by employees at a rate of either one hour per every 30 hours or every 40 hours worked, and set a maximum number of accrued hours that employers are required to allow workers to use in a calendar year.

**ISSUE:**

Washington State law does not require employers to provide any paid leave time for employees who need to miss work for an illness, care of a family member, domestic violence or sexual assault-related reasons, or for bereavement. Consequently, workers in the City of Tacoma do not have this benefit unless it is voluntarily provided by their employer.

**ALTERNATIVES:**

The Council could choose to not support the presented Ordinance.

**RECOMMENDATION:**

The recommendation is that the Council approve the Ordinance establishing minimum standards for the provision of paid leave.

**FISCAL IMPACT:**

See attached memo.



**To:** T.C. Broadnax, City Manager

**From:** Danielle Larson, Tax & License Division Manager  
 Andy Cherullo, Finance Director, Finance Department

**Date:** December 11, 2014

**Subject:** Fiscal Impact of Paid Leave Ordinance

**Overview**

The following provides a financial analysis for the pending paid sick leave ordinance. This analysis is based on two distinct costs drivers - start-up costs and caseload driven costs.

Start-up costs are expenditures associated with establishing the program and will be expended regardless of how many complaints may ultimately be submitted. These amounts include costs related to drafting regulations, rules, and procedures for the ordinance and include the assumption that there will be extensive public engagement with both employers and employees during iterative rounds of regulation and rule making. Also included in the start-up costs are expenses related to education and outreach, and include developing a web site and web content as well as printed materials and the development of standard forms.

Caseload driven costs are associated with the number and types of complaints that are filed once the ordinance takes effect. Given limited data available, these costs are difficult to estimate and could fluctuate greatly depending on the number and type of complaints that may be submitted. These include costs related to intake of complaints, triaging those complaints, conciliation efforts, communication with employees and employers, and on-going education and outreach efforts. Also included in caseload driven costs are expenses related to investigations, deliberation and drafting findings, enforcement efforts and appeals.

**Estimated Financial Impact**

The table below shows the estimated fiscal impacts. Note that the table includes low and high ranges based on different assumptions including staffing, level of outreach and education efforts in the first year and caseload driven costs in the second year.

Description	2015 Low	2016 Low	2015 High	2016 High
Management Analyst III	105,000	140,000	160,000	210,000
Office Assistant		-	40,000	40,000
Overtime for Existing Staff	5,000	5,000	10,000	15,000
Startup Fees (Computers, Desks etc.)	5,000		10,000	-
Investigator Services	-	25,000		125,000
Marketing & Outreach Materials - mailings, notices, templates, FAQs, etc.	30,000	10,000	60,000	20,000
Consultants - Translator services, Website developer, Video, etc.	25,000	10,000	45,000	20,000
Other City Departmental Costs - Legal, Hearings Examiner, etc.	20,000	20,000	30,000	40,000
<b>Subtotal</b>	<b>190,000</b>	<b>210,000</b>	<b>355,000</b>	<b>470,000</b>
<b>Estimated Biennial Costs</b>		<b>400,000</b>		<b>825,000</b>