AMENDED IN COMMITTEE 12/8/2021 ORDINANCE NO. 4-22

FILE NO. 211132

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Ordinance amending the Police Code to establish a portable Paid Sick Leave (PSL)

[Police Code - Domestic Workers' Access to Paid Sick Leave Through a Portable System]

system for domestic workers, and to require hiring entities that do not directly provide PSL to provide PSL payments to domestic workers using the portable system.

NOTE: Unchanged Code text and uncodified text are in plain Arial font.

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>. Board amendment additions are in <u>double-underlined Arial font</u>. Board amendment deletions are in <u>strikethrough Arial font</u>. Asterisks (* * * *) indicate the omission of unchanged Code subsections or parts of tables.

Be it ordained by the People of the City and County of San Francisco:

Section 1. The Police Code is hereby amended by adding Article 33N, consisting of Sections 3300N.1 through 3300N.12, to read as follows:

ARTICLE 33N: DOMESTIC WORKERS' EQUAL ACCESS TO PAID SICK LEAVE

SEC. 3300N.1. TITLE.

This Article 33N shall be known as the Domestic Workers' Equal Access to Paid Sick Leave Ordinance.

SEC. 3300N.2. FINDINGS AND PURPOSE.

(a) More than two million domestic workers in the United States, and approximately 10,000 in San Francisco, work in the homes of their employers, cooking; cleaning; caring for children, older adults, people with disabilities, and others; and performing other labor.

(b) Domestic workers generally are paid low wages, are unlikely to receive health benefits or paid time off from employers, and are at high risk of wage theft and other violations of worker protections. This vulnerability is long-standing and has deep historic, economic, and social roots in racism and sexism. Domestic workers remain uniquely vulnerable, in part because they generally work in isolation, behind the closed doors of private homes.

(c) In 2006, the people of the City and County of San Francisco ("City") enacted the nation's first Paid Sick Leave Ordinance (PSLO), covering employees working in the City. Paid sick leave (PSL) is an important public health tool for infectious disease control, as workers without it are more likely to place others at risk by going to work sick or sending their children to school or daycare while ill.

(d) Despite the PSLO, few domestic workers in the City have access to PSL. Only 17% of domestic workers in San Francisco surveyed by researchers from the Graduate Center at the City University of New York reported that they receive any paid time off as an employment benefit. Only 33% of those domestic workers reported that they had had even one paid day off during the previous year, whether for sick leave, vacation, or a paid holiday. See Isaac Jabola-Carolus, "Profile of San Francisco Domestic Workers," December 2020, on file with the Clerk of the Board of Supervisors in File No.

(e) The COVID-19 pandemic has highlighted the urgency of ensuring that all workers have access to PSL for illness, caregiving responsibilities, and other purposes. This is particularly true for low-wage workers, like domestic workers, who may be unlikely to have adequate resources to take unpaid time off when ill or when caring for an ill family member. The COVID-19 pandemic has further increased both the economic vulnerabilities of domestic workers. Domestic workers have suffered disproportionate job losses due to the COVID-19 pandemic and public health response, peaking as high as 60% in May 2020. See the foregoing "Profile of San Francisco Domestic Workers." But

domestic workers are less likely than other workers to have access to unemployment insurance due to misclassification, informal employment arrangements, and immigration status.

(f) Domestic workers are at heightened risk of contracting COVID-19 and other infectious diseases because they typically work indoors, often in close proximity to their employers and those for whom they provide care. Domestic workers frequently work for multiple different individuals or families, increasing their exposure risk. Domestic workers generally are not protected by the federal Occupational Safety and Health Act or its California counterpart, and they are unlikely to be provided with personal protective equipment or other COVID-19 safety measures.

(g) Employers of domestic workers that wish to provide the workers with PSL often lack access to systems to facilitate accrual and tracking of benefits. For domestic workers who work for multiple employers for varying lengths of time, PSL that does not allow for aggregation across employers may not provide workers meaningful access to PSL. Misclassification of employees as independent contractors and informal employment arrangements further reduce domestic workers' access to PSL.

(h) This Article 33N establishes a portable PSL system, which will allow Domestic Workers to earn and consolidate PSL benefits from several employers and to keep and access that paid leave as they move between jobs. The system would allow Hiring Entities to track PSL accruals, which would be transferred from the Hiring Entity to the Domestic Worker when the Domestic Worker needs to take PSL. PSL would not necessarily be used with the same Hiring Entity or Hiring Entities from which the funds are drawn.

(i) The purpose of this Article 33N is to provide Domestic Workers in the City access to the essential benefit of PSL, administered through the portable PSL system. By expanding access to PSL, this Article is intended to mitigate the economic harm Domestic Workers are suffering due to the pandemic, support the City's pandemic response, and improve public health more broadly.

SEC. 3300N.5. DOMESTIC WORKERS' ACCESS TO PAID SICK LEAVE.

(a) Except as provided in subsection (e) or in any exception created by rule under Section

3300N.8, and without regard to the employment classification of the Domestic Worker, a Hiring Entity

shall provide PSL funds to a Domestic Worker. The right to PSL funds shall be accounted for in the

portable PSL system established under Section 3300N.4, and the PSL system shall coordinate the

transfer of funds from a Hiring Entity to a Domestic Worker when a Domestic Worker requests accrued

PSL funds.

(b) A Domestic Worker shall accrue a right to PSL funds under subsection (a) equal to not less than one hour of net pay, at the Domestic Worker's regular rate of pay, for every 30 hours of work for the Hiring Entity performed on or after the Operative Implementation Date. The Hiring Entity shall report the number of hours of work and net pay rate of a Domestic Worker to the PSL system. The Domestic Worker shall report the number of hours of work, net pay rate, and relevant contact information of the Hiring Entity. The information provided by the Hiring Entity and Domestic Worker to the portable PSL system administrator shall be retained, used to calculate a Domestic Worker's right to PSL funds from a Hiring Entity, and used to coordinate the transfer of such PSL funds from the Hiring Entity to the Domestic Worker.

(c) The right to PSL funds shall accrue in hour-unit increments, but the funds shall not be transferred from the Hiring Entity to the Domestic Worker until the Domestic Worker requests the PSL funds. A Hiring Entity is responsible for fulfilling any tax withholding and tax reporting obligations for such contributions at the time PSL funds are transferred.

(d) A Hiring Entity may cap accrual of the right to PSL contributions for a Domestic Worker at 40 hours of PSL, provided however that a Hiring Entity that is an Employer under Administrative Code Section 12W.2(d) and not a "Small business" under Administrative Code Section 12W.2(f) may cap

accrual of the right to PSL contributions for a Domestic Worker at 72 hours of PSL. The right to PSL contributions carries over from year to year (whether calendar year or fiscal year).

(e) A Domestic Worker may use the portable PSL system established under Section 3300N.4 to request accrued PSL funds for use for any purpose for which paid sick leave may be used under Administrative Code 12W.4.

(f) If a Hiring Entity directly provides a Domestic Worker PSL, including but not limited to PSL under Administrative Code Chapter 12W, the Hiring Entity may offset that paid leave from the PSL funds it must provide a Domestic Worker under subsections (a) and (b). A Hiring Entity that provides at least one hour of PSL for every 30 hours of work shall be exempt from all provisions of this Article 33N, except for the requirements of Section 3300N.8(d).

(g) If a Hiring Entity that is an "Employer" under Administrative Code Section 12W.2(d) complies with this Article 33N, the Employer shall be deemed to comply with Administrative Code Chapter 12W.

SEC. 3300N.6. NOTICE TO DOMESTIC WORKERS.

(a) The Agency shall, within 90 days of the effective date of the ordinance in Board File No.

211132 establishing this Article 33N, publish and make available on its website and through electronic communication an initial notice of the Domestic Workers' Equal Access to Paid Sick Leave Ordinance.

(b) The Agency shall conduct outreach and education about this Article 33N in the community to inform Domestic Workers and Hiring Entities.

(c) OEWD, in collaboration with the Agency, shall, not later than 21 days prior to the

Operative Implementation Date, publish and make available on its website notice regarding the

portable PSL system and how to access it. The Agency shall promptly publish and make available on

its website and through electronic communication the same notice.

(d) The Agency shall, not later than 21 days prior to the Operative Implementation Date of this Article 33N, publish and make available on its website and through electronic communication a notice suitable for Hiring Entities to inform Domestic Workers of their rights under this Article 33N, in English, Spanish, Chinese, Filipino, and any language spoken by at least 5% of City residents. A Hiring Entity shall, within seven days after the Operative Implementation Date, provide the notice to Domestic Workers in a manner calculated to reach each Domestic Worker by printing and providing the notice on paper and/or sending it to the Domestic Worker via electronic mail or text message. Such notice shall be provided in the Domestic Worker's native language if the notice is available in that language.

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

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

(b) It shall be unlawful for a Hiring Entity to take any adverse action against any Domestic Worker in retaliation for exercising rights protected under this Article 33N, including the right to file a complaint or inform any person about any Hiring Entity'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 their possible rights under this Article.

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

(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 33N; of informing any person about a Hiring Entity'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 their 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 Hiring Entity rebuts the presumption with clear and convincing evidence that the adverse action was solely for a reason other than retaliation, the Hiring Entity shall be deemed to have violated this Section 3300N.7.

SEC. 3300N.8. IMPLEMENTATION AND ENFORCEMENT.

(a) OEWD is authorized to implement Section 3300N.4 and, in consultation with the Agency and after seeking input and recommendations from Domestic Workers, Hiring Entities, and other community partners, may promulgate guidelines or rules for such purposes. Such guidelines or rules shall address the establishment and implementation of the portable PSL system, including platform design, onboarding, and usability for Domestic Workers and Hiring Entities; transfer of funds from Hiring Entities to Domestic Workers; and administration and cost management of the PSL system.

(b) The Agency is authorized to implement and enforce the remaining provisions of this Article

33N and may promulgate guidelines or rules for such purposes. Such guidelines or rules may address,

among other things, outreach to Hiring Entities and Domestic Workers and enforcement of this Article.

(c) A Domestic Worker or any other person who has reason to believe that a violation of this

Article 33N has occurred may report the suspected violation to the Agency. The Agency shall

encourage reporting pursuant to this subsection (c) by keeping confidential, to the maximum extent

permitted by law, the name and other identifying information of the person reporting the violation;

provided, however, that with the authorization of said person, the Agency may disclose their name and
identifying information as necessary to enforce this Article or for other appropriate purposes.

(d) Hiring Entities shall retain records pertaining to their compliance with this Article 33N for a period of four years and shall allow the Agency access to such records upon reasonable notice.

Failure to maintain records or to allow the Agency reasonable access to such records shall result in a

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presumption that the Hiring Entity has violated this Article, absent clear and convincing evidence otherwise.

(e) The Agency may investigate possible violations of this Article 33N. 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 dor hearing.

(f) Where the Agency determines that a violation has occurred following an investigation that affords due process, including notice of the alleged violation and the right to respond, the Agency may issue a determination of violation and order any appropriate relief, including but not limited to the reinstatement of a Domestic Worker, back pay, and pursuant to California Constitution Article XIIIC, Section 1(e)(5), the payment of an additional sum as an administrative penalty to each employee or person whose rights under this Article 33N were violated. If any PSL contributions were unlawfully withheld, the dollar amount of such contributions multiplied by three, or \$250, whichever amount is greater, shall be included in the administrative penalty paid to a Domestic Worker. Further, the Agency may order the payment of an additional sum as an administrative penalty that does not exceed of \$1,000 for the Hiring Entity's first violation, \$5,000 for the second violation, and \$10,000 for the third and subsequent violations. For the purpose of this calculation, if multiple Domestic Workers are impacted by the same violation at the same time, the Agency shall treat the violation as a single violation rather than multiple violations. To compensate the City for the reasonable regulatory costs of investigating and remedying the violation, pursuant to California Constitution Article XIIIC, Section 1(e)(3), the Agency may also order the violating Hiring Entity to pay to the City an amount that does not exceed the Agency's investigation and administrative enforcement costs. Subject to the budgetary and fiscal provisions of the Charter, such funds shall be allocated to the Agency and used to offset the costs of implementing and enforcing this Article and other ordinances the Agency enforces.

(g) The Agency may not issue a determination of violation under this Article 33N for the same conduct by the same Hiring Entity subject to a determination of violation under Administrative Code Chapter 12W.

(h) The determination of violation shall provide notice to the Hiring Entity of the right to appeal the determination to the Controller and that failure to do so within 15 days shall result in the determination becoming a final administrative decision enforceable as a judgment by the Superior Court. When prompt compliance with a final administrative decision is not forthcoming, the Agency may take any appropriate enforcement action to secure compliance, including requesting the City Attorney seek enforcement of the decision in Superior Court and, 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 Hiring Entity or person until such time as the violation is remedied.

(i) The determination of violation shall specify a reasonable time period for payment of any relief ordered. The Agency may award interest on all amounts due and unpaid at the expiration of such time period at the rate of interest specified in subdivision (b) of Section 3289 of the California Civil Code, as may be amended from time to time.

(j) The remedies and penalties provided under this Article 33N are cumulative.

(k) The Agency may require that remedies and penalties due and owing to Domestic Workers be paid directly to the City for disbursement to the Domestic Workers. The Controller shall hold these funds in escrow for the Domestic Workers. The Agency shall make best efforts to distribute such funds to Domestic Workers. In the event such funds are unclaimed for a period of three years, the Controller may undertake administrative procedures for escheat of unclaimed funds under California Government Code Sections 50050 et seq., as may be amended from time to time. Subject to the budgetary and fiscal provisions of the Charter, such escheated funds shall be dedicated to the enforcement of this Article 33N or other laws the Agency enforces.

SEC. 3300N.9. APPEAL PROCEDURE.

(a) A Hiring Entity may file an appeal from a determination of violation ("Appeal") in
accordance with the following procedures:
(1) The Hiring Entity shall file the Appeal with the Controller and serve a copy on the
Agency. The Appeal shall be filed in writing within 15 days of the date of service of the determination
of violation, and shall specify the basis for the Appeal and shall request that the Controller appoint a
hearing officer to hear and decide the Appeal. Failure to submit a timely, written Appeal shall
constitute concession to the violation, and the determination of violation shall be deemed the final
administrative decision upon expiration of the 15-day period. Further, failure to submit a timely,
written Appeal shall constitute a failure to exhaust administrative remedies, which shall serve as a
complete defense to any petition or claim brought against the City regarding the determination of
violation.
(2) Following the filing of the Appeal and service of a copy on the Agency, the Agency
shall promptly afford the Hiring Entity an opportunity to meet and confer in good faith regarding
possible resolution of the determination of violation.
(3) Within 30 days of receiving an Appeal, the Controller shall appoint an impartial
hearing officer who is not part of the Agency and immediately notify the Agency and Hiring Entity of
the appointment.
(4) The hearing officer shall promptly set a date for a hearing. The hearing shall
commence within 45 days of the date of the Controller's notice of appointment of the hearing officer
and conclude within 75 days of such notice, provided, however, that the hearing officer may extend
these time limits for good cause.

SEC. 3300N.10. PREEMPTION.

such time as the violation is remedied.

Nothing in this Article 33N shall be interpreted or applied so as to create any right, requirement, power, or duty in conflict with Federal or State law. The term "conflict," as used in this Section 3300N.10 means a conflict that is preemptive under Federal or State law.

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

In undertaking the adoption and enforcement of this Article 33N, the City is undertaking only to promote the general welfare. The City 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. This Article does not create a legally enforceable right by any member of the public against the City.

SEC. 3300N.12. SEVERABILITY.

If any section, subsection, sentence, clause, phrase, or word of this Article 33N, 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 this Article. The Board of Supervisors hereby declares that it would have passed this Article and every section, subsection, sentence, clause, phrase, and word not declared invalid and unconstitutional without regard to whether any other portion of this Article or application thereof would be subsequently declared invalid or unconstitutional.

Section 2. Effective and Operative Dates.

- (a) 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) As stated in Police Code Section 3300N.3, this ordinance shall become operative six months after its effective date. However, notwithstanding the impact of the Operative Date on other provisions of Police Code Article 33N, the Office of Economic and Workforce

Development and the Office of Labor Standards Enforcement shall fulfill within the time frames specified in Police Code Section 3300N.6 those responsibilities assigned to them to be completed before the Operative Date. APPROVED AS TO FORM: DAVID CHIU, City Attorney By: LISA POWELL Deputy City Attorney n:\legana\as2021\2100117\01569893.docx



City and County of San Francisco Tails

City Hall 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102-4689

Ordinance

File Number:

211132

Date Passed: January 04, 2022

Ordinance amending the Police Code to establish a portable Paid Sick Leave (PSL) system for domestic workers, and to require hiring entities that do not directly provide PSL to provide PSL payments to domestic workers using the portable system.

December 08, 2021 Budget and Finance Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

December 08, 2021 Budget and Finance Committee - RECOMMENDED AS AMENDED

December 14, 2021 Board of Supervisors - PASSED ON FIRST READING

Ayes: 11 - Chan, Haney, Mandelman, Mar, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

January 04, 2022 Board of Supervisors - FINALLY PASSED

Ayes: 11 - Chan, Haney, Mandelman, Mar, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

File No. 211132

I hereby certify that the foregoing Ordinance was FINALLY PASSED on 1/4/2022 by the Board of Supervisors of the City and County of San Francisco.

> Angela Calvillo Clerk of the Board

London N. Breed Mayor

Date Approved