



## Legislation Details (With Text)

<b>File #:</b>	02077	<b>Version:</b>	4	<b>Name:</b>	Minimum Mandatory Sick Leave
<b>Type:</b>	Ordinance	<b>Status:</b>	Denied		
<b>File created:</b>	9/23/2005	<b>In control:</b>	EQUAL OPPORTUNITIES COMMISSION		
<b>On agenda:</b>	5/16/2006	<b>Final action:</b>	5/16/2006		
<b>Enactment date:</b>		<b>Enactment #:</b>			
<b>Title:</b>	THIRD SUBSTITUTE - Creating Section 3.57 entitled "Mandatory Minimum Sick Leave" of the Madison General Ordinances to require employers in the City of Madison to provide sick leave benefits to employees.				
<b>Sponsors:</b>	Austin W. King, Brenda K. Konkel, Tim Gruber, Brian Benford, Robbie Webber, Michael E. Verveer, Judy K. Olson				
<b>Indexes:</b>					
<b>Code sections:</b>					
<b>Attachments:</b>	1. 3792sickleave3RDSUB.pdf, 2. 3792sickleave2NDSUB.pdf, 3. Early Childhood Care & Education Board Sick Leave Report to EOC.pdf, 4. reg form - in support wishing to speak.pdf, 5. reg form - in opposition wishing to speak.pdf, 6. reg form - in opposition not wishing to speak.pdf, 7. reg form - in support not wishing to speak.pdf, 8. Sick Leave Petition.pdf, 9. summary of amendments from council floor.pdf, 10. 02077 Phone Call list.pdf				

Date	Ver.	Action By	Action	Result
5/16/2006	3	COMMON COUNCIL	Adopt With Amendment(s)	Fail
5/16/2006	4	Attorney's Office/Approval Group	Substitute Created	
5/15/2006	4	Attorney's Office/Approval Group	Approved As To Form	
5/15/2006	4	Attorney's Office	Fiscal Note Required / Approval	
5/15/2006	4	Finance Dept/Approval Group	Approved Fiscal Note By The Comptroller's Office (SUBSTITUTES)	
5/11/2006	4	EQUAL OPPORTUNITIES COMMISSION	RECOMMEND TO COUNCIL TO ADOPT - REPORT OF OFFICER	Pass
5/11/2006	4	EQUAL OPPORTUNITIES COMMISSION	RECOMMEND TO COUNCIL WITH THE FOLLOWING RECOMMENDATIONS - REPORT OF OFFICER	Pass
5/1/2006	3	EOC EXECUTIVE COMMITTEE (prior to 07/01/2006)	Return to Lead with the Recommendation for Approval	Pass
4/24/2006	3	BOARD OF ESTIMATES (ended 4/2017)	Return to Lead with the Recommendation for Approval	Pass
4/21/2006	3	Finance Dept/Approval Group	Approved Fiscal Note By The Comptroller's Office (SUBSTITUTES)	
4/20/2006	3	Attorney's Office/Approval Group	Approved As To Form	
4/20/2006	3	Attorney's Office	Fiscal Note Required / Approval	
4/10/2006	2	BOARD OF ESTIMATES (ended 4/2017)	Refer	Pass
4/6/2006	2	Finance Dept/Approval Group	Approved Fiscal Note By The Comptroller's Office (SUBSTITUTES)	
3/22/2006	2	ECONOMIC DEVELOPMENT COMMITTEE	Return to Lead with the Recommendation for Denial	Pass

3/21/2006	2	COMMON COUNCIL	Refer	Pass
3/16/2006	1	BOARD OF HEALTH FOR MADISON AND DANE COUNTY	Return to Lead with the Following Recommendation(s)	
3/14/2006	2	Finance Dept/Approval Group	Fiscal Note Pending	
3/13/2006	2	Attorney's Office/Approval Group	Approved As To Form	
3/13/2006	2	Attorney's Office	Fiscal Note Required / Approval	
2/9/2006	1	EQUAL OPPORTUNITIES COMMISSION	Defer	Pass
1/12/2006	1	EQUAL OPPORTUNITIES COMMISSION	Refer	Pass
1/12/2006	1	EQUAL OPPORTUNITIES COMMISSION	Table	Pass
1/12/2006	1	EQUAL OPPORTUNITIES COMMISSION	Take Off The Table	Pass
12/2/2005	1	Finance Dept/Approval Group	Approved Fiscal Note By The Comptroller's Office	
11/16/2005	1	EARLY CHILDHOOD CARE AND EDUCATION COMMITTEE	Return to Lead with the Following Recommendation(s)	
10/26/2005	1	EARLY CHILDHOOD CARE AND EDUCATION COMMITTEE	Refer For Public Hearing	
10/3/2005	1	EQUAL OPPORTUNITIES COMMISSION	Refer	
10/3/2005	1	EQUAL OPPORTUNITIES COMMISSION	Refer	
10/3/2005	1	EQUAL OPPORTUNITIES COMMISSION	Fiscal Note Required / Approval	
10/3/2005	1	EQUAL OPPORTUNITIES COMMISSION	Refer	
9/28/2005	1	Finance Dept/Approval Group	Fiscal Note Pending	
9/23/2005	1	Attorney's Office/Approval Group	Approved As To Form	
9/23/2005	1	Attorney's Office	Fiscal Note Required / Approval	
9/20/2005	1	COMMON COUNCIL	Refer	

### Fiscal Note

The provisions of this Third Substitute ordinance amendment would apply primarily to private employers maintaining a place of business within the boundaries of the City of Madison. Governmental employers are generally exempted from the ordinance. The City of Madison, however, is specifically excluded from the governmental entity exemption, so the ordinance would have a direct fiscal impact on City operating costs. The amendment would become effective beginning in 2007.

The most immediate and direct cost would be associated with the sick time used and accrued by seasonal and hourly City employees who are presently not eligible to accumulate sick leave. Extrapolation from 2004 payroll data can give us a reasonable estimate of the additional sick leave costs.

In 2004, the City employed 770 different individuals in seasonal and hourly positions who did not accumulate sick leave benefits. These individuals worked a total of 281,000 hours during the year, for a gross average of about 365 hours per person. Based on the bi-weekly payroll data available, it appears that 388 of these employees (50%) worked the minimum 36 hours in a bi-weekly pay period needed to qualify for sick leave accumulation under the proposed ordinance. These qualified employees worked 145,000 hours during the year (52% of all hours worked by hourly employees) for an average of 374 hours per person. Under the provisions of the proposed ordinance, this group would have earned 2,900 hours of sick leave (approximately 363 days, or a little less than one day per qualifying employee) in the first year (2007) and 4,800 hours of sick leave (approximately 605 days, or about 1.5 days per qualifying employee) in the second and subsequent years (2008 and beyond). Assuming 100% usage, this additional sick time would have a cost to the City of

approximately \$38,000 in 2007 and \$63,000 in 2008 and subsequent years, which would be charged to the operating budgets of affected departments as earned sick days were used. Any unused balances remaining at year-end would be recorded as an accrued employee benefit liability. In this version of the proposed ordinance, any balance of accrued but unused sick leave would be forfeited by the employee upon termination of employment.

These paid sick leave costs could be offset, to some extent, by the ordinance provision that would allow the employer to offer the substitution of additional future work hours for sick pay in limited circumstances. Given the limited circumstances under which such rescheduled future work could be required, it seems unlikely that this provision would significantly reduce the costs associated with the ordinance.

Adoption of the ordinance would also result in some additional administrative costs. The City's existing payroll system does not accumulate accrued leave balances on a directly proportional basis as required by this ordinance. Although we have not tried to estimate the reprogramming or staff time needed to monitor the calculations required to comply with the provisions of this ordinance, it is assumed that ongoing payroll record keeping requirements of the ordinance could be performed by reassigning existing staff.

A more significant administrative cost could be incurred for ordinance enforcement. The proposed ordinance gives the Equal Opportunities Commission responsibility to investigate, adjudicate and dispose of any complaint brought by any individual up to two years after the alleged violation has occurred. The ordinance further identifies penalties for employers' violation of its provisions. Any costs or revenues associated with enforcement would occur in 2007 and future years.

EOC staff estimates that initial costs of producing public notification and training materials will be \$15,000. No staff or other resources have been budgeted or are available to accomplish any such effort.

It should be noted that, of the 770 hourly and seasonal employees who worked for the City during 2004, 355 were union represented employees. Provisions of this proposed ordinance might be in conflict with existing labor agreements, the provisions of which the Common Council has also adopted by ordinance. Any such conflicts would need to be resolved through the collective bargaining process prior to the direct application of this ordinance to these represented employee groups.

**Title**

THIRD SUBSTITUTE - Creating Section 3.57 entitled "Mandatory Minimum Sick Leave" of the Madison General Ordinances to require employers in the City of Madison to provide sick leave benefits to employees.

**Body**

SEE COMPLETE TEXT IN 02077BODY-3RDSUB IN ATTACHMENTS.