



Mayor & Council Members,

This Thursday, you will receive a briefing on the results of the public engagement process related to proposed municipal regulation of paid time off. Many of the 18,000 private sector employers with payroll employees have a diverse set of approaches to PTO for their seasonal, part- and full-time employees. A one-size-fits-all government-mandated PTO policy does not work for most companies and will inhibit our employer ability to create an appropriate policy that works best for each business model. As there is not a City Council policy document outlining any information or details, the Greater Austin Chamber has not taken an official position. The 500 online forum comments (*see attachment 1*) were hard to quantify since none of the public questions asked if respondents support the city creating a private sector PTO policy, However, public response appeared to be approximately 60% opposed to creation of any position.

We want to share our initial thoughts, concerns and data points. We look forward to talking with you in greater depth on this issue. Please don't hesitate to reach out.

Here is a quick snapshot of the potential economic impact of a mandate which should be included as a part of the dialogue and research. Using the data from WorkStrongAustin, and the Bureau of Labor Statistics, here are estimated real dollar impact, which will fall disproportionately on micro and small business owners.

Potential Economic Impact on potential Austin City Council mandate:

- The WorkStrongAustin state that 223,000 workers in Austin work at employers who lack a formal paid sick leave policy. We cannot find an actual study of Austin employers. *Coincidentally, the U.S. Bureau of Labor Statistics published an estimate that 37% of all U.S. employers lack a formal paid sick leave policy.*
- For the definition of Part Time employees we used the U.S. BLS national average of 1,700 hours annually
- Average cost to private sector employers who do not have a formal paid sick leave policy is estimated to be \$0.37/hour and \$0.92/hour for public sector employees

Potential private sector impact: Basic "back of the napkin" math for the private sector -> 223,000 employees x 1700hours x \$0.37/hour = **\$140 million economic impact, which will fall disproportionately on micro and small business owners annually**

Potential public sector impact: we estimate an additional \$9.4million in currently unbudgeted expenses.

	# not covered	Hours/Wk	Total hours	Avg cost/hr (BLS)	Total Cost
TravCO	1,230	1700	2,091,000	0.92	\$ 1,923,720
AISD	1,673	1700	2,844,100	0.92	\$ 2,616,572
AISD (<i>active substitutes</i>)	3,140	1700	5,338,000	0.92	\$ 4,910,960
COA	1,165	1700	1,980,500	0.92	\$ 1,822,060
Total Cost to Taxpayer					\$ 9,451,252
Private employers	223,000	1700	379,100,000	0.37	\$ 140,267,000
				Total ATX mkt costs	\$ 149,718,252

* Hours/Wk and Average Cost/hr are national averages provided by the Bureau of Labor Statistics as of September 8, 2017 Table 1 and Table 3. (<https://www.bls.gov/news.release/pdf/ecec.pdf>)

*** **Important to note:** This analysis does not include data from the other various taxing ISD's or Central Health that have employees in the Austin City Limits.



ATTACHMENT 1

Chamber staff tallied over 500 online forum comments to the SpeakUpAustin.org survey. Because no question asked whether respondents would support a city-mandated PTO or PSL policy, tallying sentiment was challenging. If a responded commented with some substantive idea or response we counted it as a FOR tally. If someone commented saying “we don’t need this/bad policy/etc” we counted it as an “against” tally. So, the bias of the questions might be responsible for skewing some of the results towards the “for” total.

Paid Sick Leave Online Forum Comment Tally

Q1: Who should be covered under a policy that requires employers to provide paid sick leave?						
For:	58					
Against:	69					
Not Clear:	9				Total Comments:	521
Q2: What types of circumstances should paid sick leave cover?						
For:	31					
Against:	16					
Not Clear:	2				Total Comments:	94
Q3: At what rate should workers earn paid sick time? How much should be earned per year?						
For:	18					
Against:	13					
Not Clear:					Total Comments:	61
Q4: At what point during employment should workers begin to earn and use paid sick time?						
For:	17					
Against:	14					
Not Clear:					Total Comments:	52
Q5: How should paid sick time be carried over from year-to-year, and how should/could employees access and use it?						
For:	18					
Against:	14					
Not Clear:	3				Total Comments:	65
Q6: How might the City of Austin manage and fund enforcement of a private employer paid sick leave ordinance?						
For:	16					
Against:	29					
Not Clear:	2				Total Comments:	83