



OFFICE OF THE MAYOR
THE CITY OF NEW YORK

2013 JUN -7 P 2:35

PATRICK A. WEHLE
DIRECTOR OF CITY LEGISLATIVE AFFAIRS

June 7, 2013

Michael McSweeney
City Clerk of the Council
141 Worth Street
New York, NY 10013

Dear Mr. McSweeney:

Transmitted herewith is the bill disapproved by the Mayor. The bill is as follows:

Introductory Number 97-A

A local law to amend the administrative code of the city New York, in relation to the provision of sick time earned by employees.

Sincerely,

Patrick A. Wehle

cc: Honorable Christine C. Quinn



THE CITY OF NEW YORK
OFFICE OF THE MAYOR
NEW YORK, N.Y. 10007

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June 6, 2013

Hon. Michael McSweeney
City Clerk and Clerk of the Council
141 Worth Street
New York, NY 10013

Dear Mr. McSweeney:

Pursuant to Section 37 of the New York City Charter, I hereby disapprove Introductory No. 97-A, which would create a new mandate for paid sick leave for employees of employers with fifteen or more employees and for all domestic workers in New York City and would require the Department of Consumer Affairs to enforce the bill's requirements.

Intro. 97-A would require, with certain exceptions, that business and not-for-profit employers with fifteen or more employees who work over eighty hours a year provide their employees up to five days of paid sick time, and it would entitle domestic workers who work more than eighty hours a year for the same employer to up to five days of paid sick time. Employers with fewer than fifteen employees, meanwhile, would have to provide unpaid sick time to their employees. The bill would create extensive and burdensome recordkeeping and notice requirements for employers, and it would establish a broad and multi-faceted enforcement role for the Department of Consumer Affairs. Violations of the bill's requirements could result in civil penalties up to \$2,500 per violation, triple lost wages, and equitable relief including reinstatement.

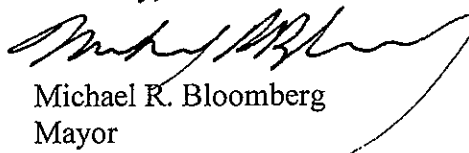
While the motivation behind Intro. 97-A is laudable, the bill will have deleterious effects on businesses and not-for-profit organizations throughout the City, and it will hurt the City's economy. In partnership with the City Council, my administration has worked aggressively to improve the City's economic situation and create more jobs, even while the national economy overall has gone through difficult times. As a result of our efforts, including the Department of Small Business Services' expansion of workforce development and job placement efforts, and investments in infrastructure and economic development activities in all five boroughs, New York City's economy has significantly outperformed the rest of the country. Since the onset of the national recession, the United States has gained back only 54% of the private sector jobs lost; by comparison, New York City has now recovered more than 215% of the private sector jobs we lost. And New York City now has more private sector jobs—3.3 million—than at any point in its history. And for individuals without a high school diploma, the City's unemployment rate remains less than it is in the country, as it has been since 2007.

This bill, however, will inevitably increase costs for employers, and particularly for small businesses. Faced with this increase in costs, employers will seek to offset them in any number of ways, including reducing other benefits employees receive, such as health insurance; reducing the number of hours employees work; and laying them off altogether. Employers may also become less willing to hire new employees, as this bill would make hiring them more expensive. Furthermore, given that higher wage jobs typically come with paid leave, it is likely that entry-level and lower wage workers—the very people this bill is intended to help—will suffer these effects disproportionately.

The bill's proposed enforcement scheme will create a new, large, and unwieldy bureaucracy in the Department of Consumer Affairs. This bill is an employment bill, in that it regulates the employment relationship between workers and their employers. Yet the bill assigns responsibility to an agency, the Department of Consumer Affairs, that specializes in the protection of consumers, not the interpretation, investigation and enforcement of labor and employment laws. Under this bill, the Department would have to accept, investigate, and mediate complaints about a host of issues, including whether employers appropriately informed their employees about the law, whether employers provided required sick leave to their employees, and whether employers retaliated against their employees in violation of the bill. It would have to inspect and audit employers' records pertaining to their employees, and it would have to bring enforcement actions. Not only are the employment law issues in these matters far afield from the agency's expertise, but DCA will have to devote substantial, recurring resources to perform the new responsibilities under the bill, particularly because these efforts will involve virtually every employer in the City. We estimate, at a minimum, that DCA will have to hire forty-nine new staff and spend 8 million dollars in fiscal year 2014 and 4.8 million dollars annually thereafter. Thus, the bill will cost the City substantial resources we do not have to create a new part of an agency that has no experience performing the functions this bill will require.

Finally, an employment matter such as this one is not an appropriate matter for local legislation. If this bill becomes law, it will harm New York City's competitive position by adding to the already high cost of doing business in New York City. Nassau, Suffolk and Westchester counties as well as New Jersey will enjoy a cost advantage, undermining the hard work we have done to ensure that the City's economic recovery has been stronger and faster than the rest of the nation's. This bill, which will impose significant new costs on employers and create a vast new bureaucracy, is bad for the City's economy, and it will harm the very people it seeks to help.

Sincerely,



Michael R. Bloomberg
Mayor

c: The Honorable Christine C. Quinn