

# Office of Labor Standards

Jeneé Jahn, Interim Director

(206) 256-5426

[www.seattle.gov/laborstandards](http://www.seattle.gov/laborstandards)

## Department Overview

The mission of the Office of Labor Standards (OLS) is to advance labor standards through thoughtful community and business engagement, strategic enforcement, and innovative policy development, with a commitment to race and social justice. The Office of Labor Standards focuses on the implementation of labor standards for employees working within Seattle city limits. Effective January 2021, there are 15 such standards, established through City ordinances.

- **Paid Sick and Safe Time Ordinance**, requiring employers with one or more employees to provide paid sick and safe time;
- **Fair Chance Employment Ordinance**, restricting how employers can use conviction and arrest records during the hiring process and course of employment;
- **Minimum Wage Ordinance**, establishing a minimum hourly wage that will rise to \$16.39/hour for all employees in the city by 2021;
- **Wage Theft Ordinance**, requiring employers to provide written notice of employment information and pay all compensation due by reason of employment (including wages and tips) on a regular pay day;
- **Secure Scheduling Ordinance**, establishing scheduling requirements for covered retail and food service establishments to provide schedule predictability and increased access to hours;
- **Domestic Workers Ordinance**, which provides protections for domestic workers and establishes a Domestic Workers Standards Board; and
- **Commuter Benefits Ordinance**, requiring employers to provide commuter benefits on a pre-tax basis.

Two ordinances protect the rights of drivers for transportation network companies (TNCs) (i.e. Uber and Lyft):

- **Transportation Network Company Driver Deactivation Rights Ordinance** gives TNC drivers the right to challenge unwarranted deactivations before a neutral arbitrator, and creates a Driver Resolution Center to provide representation for drivers; and
- **Transportation Network Company Minimum Compensation Ordinance** requires that TNC drivers should be paid at least the minimum wage and be reimbursed for expenses and funds a study to determine the precise method for accomplishing this goal.

Four ordinances protect the rights of hotel workers:

- **Hotel Employee Safety Protections Ordinance** requires employers to take certain steps to prevent and report violent and harassing conduct by guests and to support employees who report this misconduct;
- **Protecting Hotel Employees from Injury Ordinance** limits the workload of employees who clean hotel rooms to reduce the frequency and occurrence of injuries associated with room cleaning;
- **Improving Access to Medical Care for Hotel Employees Ordinance** requires employers to provide employees working in large hotels with increased access to medical care; and
- **Hotel Employees Job Retention Ordinance** requires employers to take certain actions to reduce job insecurity in the hospitality industry.

OLS is also responsible for the administration of two additional temporary ordinances that grant protections to certain gig workers during the COVID-19 civil emergency and that are enforceable for up to three years after the conclusion of the civil emergency:

- **Paid Sick and Safe Time for Gig Workers**, requiring covered transportation network and food delivery network companies to provide paid sick and safe time to gig workers during, and for 180 days following the conclusion of, the COVID-19 civil emergency.
- **Premium Pay for Gig Workers**, requiring covered food delivery network companies to provide premium pay

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to gig workers during the COVID-19 civil emergency.

OLS also provides education and technical assistance to the business and worker communities. As a part of these efforts, OLS manages the **Community Outreach and Education Fund** to foster collaboration between OLS and the community with funds to develop awareness and understanding of the worker rights provided by Seattle's labor standards. The office also manages the **Business Outreach and Education Fund**, which provides technical assistance to small businesses to increase compliance with Seattle's labor standards. The fund emphasizes outreach to businesses owned by low-income and historically disenfranchised communities who typically are not served by traditional outreach methods.

Finally, OLS provides technical, policy, and administrative support for the Labor Standards Advisory Commission, consisting of 15 members who advise on matters related to labor standards, as well as to the recently created Domestic Workers Standards Board, a thirteen-member body that advises on issues related to workplace protections for domestic workers.

### Budget Snapshot

	2019 Actuals	2020 Adopted	2021 Proposed
<b>Department Support</b>			
Other Funding - Operating	6,008,431	6,864,873	7,226,457
<b>Total Operations</b>	<b>6,008,431</b>	<b>6,864,873</b>	<b>7,226,457</b>
<b>Total Appropriations</b>	<b>6,008,431</b>	<b>6,864,873</b>	<b>7,226,457</b>
Full-Time Equivalents Total*	28.00	28.00	30.00

\* FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Human Resources Director actions outside of the budget process may not be detailed here.

### Budget Overview

The City is projecting significant revenue losses due to COVID-19 and the resulting public health crisis. As a result, the budget includes reductions for most departments across the City. Because the Office of Labor Standards is a small department with limited flexibility in their budget, and because of their outsized role in race and social justice across the City, the reductions to OLS's budget are minimal and do not impact staffing or services. The 2021 Proposed Budget maintains resources and staff to support the significant ongoing work of OLS. The budget also adds resources, including 2.0 Enforcement FTEs, to support the implementation and enforcement of the new Transportation Network Company ordinances. The details of the changes to OLS's budget are included in the Incremental Budget Changes section below.

The 2021 Proposed Budget also provides OLS with technical adjustments in the baseline budget, reflecting increases in lease costs, a one-time decrease in revenue from the General Fund due to 2019 OLS Fund surplus, changes to internal services costs, and agreements with the Coalition of Unions.

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### Incremental Budget Changes

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	2021 Budget	FTE
<b>Total 2020 Adopted Budget</b>	<b>6,864,873</b>	<b>28.00</b>
<b>Baseline</b>		
Citywide Adjustments for Standard Cost Changes	71,444	-
Baseline Adjustments for Personnel Costs	60,916	-
Lease Cost Increase	12,920	-
<b>Proposed Operating</b>		
Planning & Development Staff Reduction	(130,121)	-
Transportation Network Company Ordinance Enforcement	301,425	2.00
Transportation Network Company Ordinance Outreach and Implementation	45,000	-
<b>Proposed Technical</b>		
OLS Fund Revenue Updates	-	-
OLS Balancing Adjustments	-	-
<b>Total Incremental Changes</b>	<b>\$361,584</b>	<b>2.00</b>
<b>Total 2021 Proposed Budget</b>	<b>\$7,226,457</b>	<b>30.00</b>

### Description of Incremental Budget Changes

#### Baseline

##### Citywide Adjustments for Standard Cost Changes

Expenditures \$71,444

Citywide technical adjustments made in the baseline phase reflect changes to internal services costs, including rates from the Department of Finance & Administrative Services, Seattle Information Technology Department, Seattle Department of Human Resources, and for healthcare, retirement and industrial insurance charges for the department. These adjustments reflect initial assumptions about these costs and inflators early in the budget process.

##### Baseline Adjustments for Personnel Costs

Expenditures \$60,916

This centrally administered change adjusts appropriations to reflect an annual wage increase, as outlined in the agreements between the City and the Coalition of Unions, for personnel costs included in this department's baseline budget. This includes increases to salary, FICA, Medicare, family medical leave, retirement, overtime and temporary labor. There is no increase assumed from 2021 to 2022. This does not include a 2021 salary increase for non-represented Executives, Managers and Strategic Advisors.

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## Lease Cost Increase

Expenditures \$12,920

This item increases appropriation authority by \$12,920 to the Labor Standards BSL for increases in rent, CAM, and property taxes.

## Proposed Operating

### Planning & Development Staff Reduction

Expenditures \$(130,121)

This item reduces appropriation authority by \$130,121 to the Labor Standards BSL, and unfunds a vacant pocket in the Office of Labor Standards. The pocket was most recently occupied by a staff member who is currently in an out-of-class (OOC) role within the department; when the OOC role ends in December 2021, the staff member will return to this pocket.

### Transportation Network Company Ordinance Enforcement

Expenditures \$301,425  
Position Allocation 2.00

This item adds two positions to the Office of Labor Standards Enforcement team:

- One 1.0 FTE Strategic Advisor I – Enforcement Strategist
- One 1.0 FTE Civil Rights Analyst Sr. – Investigator

These positions will support the new body of work related to enforcement of the Mayor's Fare Share Plan and the related Transportation Network Company ordinances.

### Transportation Network Company Ordinance Outreach and Implementation

Expenditures \$45,000

This item increases appropriation authority by \$45,000 to the Labor Standards BSL, for Office of Labor Standards costs related to the implementation and administration of minimum labor and compensation standards for Transportation Network Company (TNC) drivers.

## Proposed Technical

### OLS Fund Revenue Updates

Revenues \$(638,416)

This item is a one-time reduction in revenue appropriations from the General Fund to the Office of Labor Standards Fund. Between 2020 and 2021, OLS planned expenditures increased by \$361,584. Additionally, at the close of Calendar Year 2019, OLS had a fund balance of over \$1,000,000, due in part to numerous vacancies and no increase in lease costs. To balance for 2021, they will receive \$1,000,000 less in revenue than the total planned expenditures and use the remaining OLS fund balance to cover the difference.

### OLS Balancing Adjustments

Revenues \$1,000,000

This is a technical item to balance revenues and expenditures for the Funds managed by this department.

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### Expenditure Overview

	2019 Actuals	2020 Adopted	2021 Proposed
<b>Appropriations</b>			
<b>OLS - BO-LS-1000 - Office of Labor Standards</b>			
00190 - Office of Labor Standards Fund	6,008,431	6,864,873	7,226,457
<b>Total for BSL: BO-LS-1000</b>	<b>6,008,431</b>	<b>6,864,873</b>	<b>7,226,457</b>
 <b>Department Total</b>	 <b>6,008,431</b>	 <b>6,864,873</b>	 <b>7,226,457</b>
 <b>Department Full-Time Equivalents Total*</b>	 <b>28.00</b>	 <b>28.00</b>	 <b>30.00</b>

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### Budget Summary by Fund Office of Labor Standards

	2019 Actuals	2020 Adopted	2021 Proposed
00190 - Office of Labor Standards Fund	6,008,431	6,864,873	7,226,457
<b>Budget Totals for OLS</b>	<b>6,008,431</b>	<b>6,864,873</b>	<b>7,226,457</b>

### Revenue Overview

#### 2021 Estimated Revenues

Account Code	Account Name	2019 Actuals	2020 Adopted	2021 Proposed
360420	Other Judgments & Settlements	23,632	-	-
<b>Total Revenues for: 00100 - General Fund</b>		<b>23,632</b>	<b>-</b>	<b>-</b>
397010	Operating Transfers In	7,907,133	6,864,873	6,226,457
<b>Total Revenues for: 00190 - Office of Labor Standards Fund</b>		<b>7,907,133</b>	<b>6,864,873</b>	<b>6,226,457</b>
400000	Use of/Contribution to Fund Balance	-	-	1,000,000
<b>Total Resources for: 00190 - Office of Labor Standards Fund</b>		<b>7,907,133</b>	<b>6,864,873</b>	<b>7,226,457</b>
 <b>Total OLS Resources</b>		 <b>7,930,765</b>	 <b>6,864,873</b>	 <b>7,226,457</b>

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### Appropriations by Budget Summary Level and Program

#### **OLS - BO-LS-1000 - Office of Labor Standards**

The purpose of the Office of Labor Standards Budget Summary Level is to implement labor standards for employees working inside Seattle's city limits. This includes investigation, remediation, outreach and education, and policy work related to the paid sick and safe time, fair chance employment, minimum wage, and wage theft, and secure scheduling ordinances, the hotel employees health and safety initiative, and other labor standards the City may enact in the future.

<b>Program Expenditures</b>	<b>2019 Actuals</b>	<b>2020 Adopted</b>	<b>2021 Proposed</b>
Business Outreach & Ed	96,831	600,000	600,000
Community Outreach & Ed	1,327,761	1,500,000	1,500,000
Office of Labor Standards	4,583,839	4,764,873	5,126,457
<b>Total</b>	<b>6,008,431</b>	<b>6,864,873</b>	<b>7,226,457</b>
Full-time Equivalents Total*	28.00	28.00	30.00

*\*FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Human Resources Director actions outside of the budget process may not be detailed here.*

The following information summarizes the programs in Office of Labor Standards Budget Summary Level:

#### **Business Outreach & Ed**

<b>Expenditures/FTE</b>	<b>2019 Actuals</b>	<b>2020 Adopted</b>	<b>2021 Proposed</b>
Business Outreach & Ed	96,831	600,000	600,000

#### **Community Outreach & Ed**

<b>Expenditures/FTE</b>	<b>2019 Actuals</b>	<b>2020 Adopted</b>	<b>2021 Proposed</b>
Community Outreach & Ed	1,327,761	1,500,000	1,500,000

#### **Office of Labor Standards**

The purpose of the Office of Labor Standards Program is to develop and implement labor standards that advance workplace equity for employees working inside Seattle's city limits. This includes enforcement outreach and education, and policy work.

<b>Expenditures/FTE</b>	<b>2019 Actuals</b>	<b>2020 Adopted</b>	<b>2021 Proposed</b>
Office of Labor Standards	4,583,839	4,764,873	5,126,457
Full Time Equivalents Total	28.00	28.00	30.00