

# Office of Labor Standards

Steven Marchese, Director

(206) 684-5397

[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 workers that perform work within Seattle city limits. Effective January 2021, there are 16 such standards, established through City ordinances:

- **Paid Sick and Safe Time Ordinance** requires employers with one or more full-time equivalent employees to provide paid sick and safe time;
- **Fair Chance Employment Ordinance** restricts how employers can use conviction and arrest records during the hiring process and course of employment;
- **Minimum Wage Ordinance** establishes a minimum hourly wage that increases each year based on rates set by ordinance and adjusted for the rate of inflation;
- **Wage Theft Ordinance** requires 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** establishes scheduling requirements for covered retail and food service establishments to provide schedule predictability and increased access to hours;
- **Domestic Workers Ordinance** provides protections for domestic workers and establishes a Domestic Workers Standards Board; and
- **Commuter Benefits Ordinance** requires 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 TNCs provide a minimum guaranteed per-trip payment that is at least the equivalent of Seattle's large employer minimum wage plus compensation for reasonable expenses.

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 conduct;
- **The 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;
- **The 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
- **The 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 three additional temporary ordinances that grant protections to certain workers during the COVID-19 civil emergency and that are enforceable for up to three years after the conclusion of the civil emergency:

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- **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 to gig workers.
- **Grocery Employee Hazard Pay**, requiring certain grocery businesses to pay hazard pay to employees during the civil emergency.

Starting September 1, 2022, the Office of Labor Standards will be responsible for enforcing a 17th ordinance, the Independent Contractor Protections Ordinance, which requires certain hiring entities to provide independent contractors with certain pay and expense information prior to contracting and at time of payment, as well as with timely payment.

OLS 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. OLS manages the **Driver Resolution Center** contract which funds a community organization that provides no-cost, culturally appropriate, consultation, support, legal services and outreach to TNC drivers that are facing deactivation.

### Budget Snapshot

	2020 Actuals	2021 Adopted	2022 Adopted
<b>Department Support</b>			
Other Funding - Operating	6,256,621	7,276,457	12,130,660
<b>Total Operations</b>	<b>6,256,621</b>	<b>7,276,457</b>	<b>12,130,660</b>
<b>Total Appropriations</b>	<b>6,256,621</b>	<b>7,276,457</b>	<b>12,130,660</b>
Full-Time Equivalents Total*	28.00	30.00	34.00

\* 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 2022 Adopted Budget increases resources and staff to support both the significant ongoing and growing body of work of the Office of Labor Standards. This includes sustained funding for 2.0 FTEs that were added in the 2021 Adopted Budget to support the implementation of Transportation Network Company Legislation and the Driver Resolution Center established by the Driver Deactivation Rights ordinance.

In addition to the ongoing City ordinances that OLS currently enforces, OLS will begin to implement in 2022 the Independent Contractor Protection Ordinance, which was passed on June 14, 2021. The addition of the Independent Contractor Protection ordinance will grow the scope of workers and hiring entities covered by laws enforced by OLS.

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The 2022 Adopted Budget includes ongoing funding for implementation of this law, including outreach and education, as well as 2.0 FTEs to accommodate this growth.

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The 2022 Adopted Budget also provides one-time funding to address recommendations from the Domestic Workers Standards Board, as presented to Council during 2021, makes permanent a manager position to oversee Outreach and Community Engagement, and adds a Deputy Director position to reflect the department's growing size and complexity. Lastly, the 2022 Adopted Budget provides OLS with a number of technical adjustments, including updates to lease, personnel, and allocated costs for central services like human resources.

### **City Council Changes to the Proposed Budget**

The City Council added Resolution 32028 requesting the OLS to collaborate with a community coalition on the development of a portable paid time off (PTO) policy for domestic workers in Seattle and submit accompanying legislation to Council.

A portable PTO policy would provide domestic workers who do not accrue meaningful amounts of paid leave because they work short-term jobs, or who do not qualify for mandated paid sick leave because they are hired as independent contractors, with a paid leave benefit that could be flexibly used across multiple hiring entities and jobs. The resolution would establish a set of principles to guide OLS's work and stakeholder engagement in developing a portable PTO policy, including a commitment to racial equity, worker-centered policy, privacy and security of worker information, equitable access, flexibility, sustainability, and accountability. The resolution also references the Council's consideration of appropriations in the 2022 Adopted Budget to support OLS's policy development and outreach efforts.

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### Incremental Budget Changes

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	Dollars	FTE
<b>2021 Adopted Budget</b>	<b>7,276,457</b>	<b>30.00</b>
 <b>Baseline</b>		
Remove One-time Items	35,121	-
Citywide Adjustments for Standard Cost Changes	105,767	-
Baseline Adjustments for Personnel Costs	34,529	-
Increase in External Lease Costs	13,307	-
 <b>Adopted Operating</b>		
Drivers Resolution Center Continuation	3,500,000	-
Domestic Worker Standards Board Recommendations	500,000	-
Independent Contractor Legislation Resourcing	488,262	2.00
Deputy Director	172,417	1.00
Outreach Manager	-	1.00
Language Premium Staff Stipend	4,800	-
 <b>Adopted Technical</b>		
OLS Fund Revenue Updates	-	-
Office of Labor Standards Fund Balancing Entry	-	-
 <b>Total Incremental Changes</b>	 <b>\$4,854,203</b>	 <b>4.00</b>
 <b>Total 2022 Adopted Budget</b>	 <b>\$12,130,660</b>	 <b>34.00</b>

### Description of Incremental Budget Changes

#### Baseline

##### Remove One-time Items

Expenditures	\$35,121
Revenues	\$35,121

This item reduces appropriation to remove one-time items that were added as part of the 2021 Adopted Budget, including \$50,000 for Domestic Worker Standards Board recommendations and \$45,000 for the implementation of the Transportation Network Tax. This item also reinstates funding for a Planning and Development Specialist position, which was temporarily unfunded in the 2021 Adopted Budget as a cost-saving measure.

##### Citywide Adjustments for Standard Cost Changes

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Expenditures \$105,767

This item reflects citywide technical adjustments made in the baseline phase to 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 \$34,529

This centrally administered change adjusts appropriations to restore the annual wage increase for non-represented Executives, Managers and Strategic Advisors, which was forgone in 2021 due to financial constraints.

### Increase in External Lease Costs

Expenditures \$13,307

This item increases appropriation authority by \$13,307 to pay for increases in external lease costs.

## Adopted Operating

### Drivers Resolution Center Continuation

Expenditures \$3,500,000

This item increases appropriation by \$3,500,000 to continue operating the Driver Resolution Center (DRC) as required by the Deactivation Rights Ordinance. The Driver Resolution Center comprises a contracted vendor who creates and support the DRC for Transportation Network Company (TNC) drivers as well as staff resourcing to oversee the DRC contract and provide logistical support and outreach. The Driver Resolution Center was initiated July 1, 2021, with appropriation for six months of DRC operations added to the 2021 budget through mid-year supplemental legislation.

### Domestic Worker Standards Board Recommendations

Expenditures \$500,000

This item increases appropriation by \$500,000, providing one-time resources for further implementation of recommendations from the Domestic Workers Standards Board (DWSB). The DWSB was established by the Domestic Workers Ordinance (Seattle Municipal Code 14.23, effective July 1, 2019) to provide a forum for hiring entities, domestic workers, worker organizations, and the public to consider, analyze, and make recommendations to the City on the legal protections, benefits, and working conditions of domestic workers. In 2021, the DWSB issued a set of recommendations designed to improve the effectiveness of the Domestic Workers Ordinance and improve the working conditions of domestic workers in Seattle. The additional funding would support implementation of one or more of the DWSB's recommendations.

### Independent Contractor Legislation Resourcing

Expenditures \$488,262

Position Allocation 2.00

This item increases appropriation by \$488,262 and adds two ongoing positions to implement the Independent Contractor Protection Ordinance, passed on June 14, 2021. The ordinance provides labor standards protections for independent contractors; specifically requiring certain hiring entities to provide pre-contract and payment disclosures and to timely pay independent contractors. The ordinance establishes multiple enforcement

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mechanisms, including traditional labor standards enforcement, an expedited complaint system, and a court navigator program. Ongoing appropriation of \$427,612 will support education and outreach through community partnerships and implementation (e.g. rulemaking, and ongoing salary costs for 1.0 FTE Paralegal and 1.0 FTE Planning & Development Spec II. An additional one-time appropriation of \$60,650 will support new employee initial set up and initial implementation costs including rulemaking, language access, and outreach and communication efforts like press releases, media campaign, development and/or updates to required forms and notices, and other educational materials.

### Deputy Director

Expenditures	\$172,417
Position Allocation	1.00

The item increases appropriation by \$172,417 and adds a Deputy Director (Executive 1) position which will support the Director on critical functions of department operations and strategic planning. The Deputy Director will direct strategic planning and management systems key to promoting the effectiveness of the Department's and City of Seattle's strategies in advancing worker protections in policy and practice. This position add aligns the Office of Labor Standards organizational structure with other similarly sized departments and offices.

### Outreach Manager

Position Allocation	1.00
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This item adds an Outreach Manager position to support the supervision and oversight of OLS's Outreach Unit, consisting currently of four Engagement Specialists, and will indirectly supervise other team members on discrete projects, including from our administrative, policy and enforcement teams. An emergency position was approved for 2021 on March 26, 2021; this item makes the position permanent.

### Language Premium Staff Stipend

Expenditures	\$4,800
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This item increases ongoing appropriation authority for language services stipends. Per the Coalition of City Unions collective bargaining agreement, City employees who are multilingual and provide language services, such as interpretation and translation, to communicate with clients and/or other employees in business-related situations are now eligible for a monthly language premium stipend. The amounts in the 2022 budget are estimates based on the eligible employees from 2021.

## Adopted Technical

### OLS Fund Revenue Updates

Revenues	\$3,365,949
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This item increases revenue from the General Fund to the Office of Labor Standards fund to reflect the budget changes described above.

### Office of Labor Standards Fund Balancing Entry

Revenues	\$1,453,133
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This is a technical item to record a fund balancing entry for the 00190 Office of Labor Standards Fund, which is managed by this department.

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### Expenditure Overview

	2020 Actuals	2021 Adopted	2022 Adopted
<b>Appropriations</b>			
<b>OLS - BO-LS-1000 - Office of Labor Standards</b>			
00190 - Office of Labor Standards Fund	6,256,621	7,276,457	12,130,660
<b>Total for BSL: BO-LS-1000</b>	<b>6,256,621</b>	<b>7,276,457</b>	<b>12,130,660</b>
 <b>Department Total</b>	 <b>6,256,621</b>	 <b>7,276,457</b>	 <b>12,130,660</b>
 <b>Department Full-Time Equivalents Total*</b>	 <b>28.00</b>	 <b>30.00</b>	 <b>34.00</b>

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### Budget Summary by Fund Office of Labor Standards

	2020 Actuals	2021 Adopted	2022 Adopted
00190 - Office of Labor Standards Fund	6,256,621	7,276,457	12,130,660
<b>Budget Totals for OLS</b>	<b>6,256,621</b>	<b>7,276,457</b>	<b>12,130,660</b>

### Revenue Overview

#### 2022 Estimated Revenues

Account Code	Account Name	2020 Actuals	2021 Adopted	2022 Adopted
360420	Other Judgments & Settlements	17,886	-	-
<b>Total Revenues for: 00100 - General Fund</b>		<b>17,886</b>	<b>-</b>	<b>-</b>
397010	Operating Transfers In	6,797,482	6,276,457	10,677,527
<b>Total Revenues for: 00190 - Office of Labor Standards Fund</b>		<b>6,797,482</b>	<b>6,276,457</b>	<b>10,677,527</b>
400000	Use of/Contribution to Fund Balance	-	1,000,000	1,453,133
<b>Total Resources for: 00190 - Office of Labor Standards Fund</b>		<b>6,797,482</b>	<b>7,276,457</b>	<b>12,130,660</b>
<b>Total OLS Resources</b>		<b>6,815,368</b>	<b>7,276,457</b>	<b>12,130,660</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 workers performing work inside Seattle’s city limits . This includes investigation, remediation, outreach and education, and policy work related to existing labor standards and those that the City may enact in the future.

<b>Program Expenditures</b>	<b>2020 Actuals</b>	<b>2021 Adopted</b>	<b>2022 Adopted</b>
Business Outreach & Education	518,533	-	600,000
Community Outreach & Education	1,473,944	-	1,500,000
Office of Labor Standards	4,264,143	7,276,457	10,030,660
<b>Total</b>	<b>6,256,621</b>	<b>7,276,457</b>	<b>12,130,660</b>
Full-time Equivalents Total*	28.00	30.00	34.00

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

#### **Business Outreach & Education**

The purpose of the Business Outreach and Education program is to facilitate assistance and outreach to small businesses owned by low-income and historically disenfranchised communities, who typically are not served by traditional outreach methods, to increase awareness and compliance with Seattle's labor standards.

<b>Expenditures/FTE</b>	<b>2020 Actuals</b>	<b>2021 Adopted</b>	<b>2022 Adopted</b>
Business Outreach & Education	518,533	-	600,000

#### **Community Outreach & Education**

The purpose of the Community Outreach and Education program is to strengthen the collaboration between OLS and the community by funding community-based organizations and enhancing their capacity to increase awareness and understanding of Seattle’s labor standards among populations and industries with low-wage jobs and that experience high-incidents of workplace violations including: female-identifying workers, workers of color, immigrant and refugee workers, LGBTQ workers, workers with disabilities, veterans and youth workers.

<b>Expenditures/FTE</b>	<b>2020 Actuals</b>	<b>2021 Adopted</b>	<b>2022 Adopted</b>
Community Outreach & Education	1,473,944	-	1,500,000

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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>2020 Actuals</b>	<b>2021 Adopted</b>	<b>2022 Adopted</b>
Office of Labor Standards	4,264,143	7,276,457	10,030,660
Full Time Equivalents Total	28.00	30.00	34.00

