

Office of Labor Standards

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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. As of September 1, 2023, there are 19 such standards, established through City ordinances.

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 small businesses owned by low-income and historically disenfranchised communities who typically are not served by traditional outreach methods.

OLS also provides administrative and policy support to two community boards and commissions: The Labor Standards Advisory Commission and the Domestic Worker Standards Board.

Budget Snapshot

	2022 Actuals	2023 Adopted	2024 Endorsed	2024 Adopted
Department Support				
Other Funding - Operating	10,804,044	8,432,555	8,455,677	9,041,478
Total Operations	10,804,044	8,432,555	8,455,677	9,041,478
Total Appropriations	10,804,044	8,432,555	8,455,677	9,041,478
Full-Time Equivalents Total*	34.00	36.00	36.00	43.00

* 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

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Incremental Budget Changes

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	2024 Budget	FTE
Total 2024 Endorsed Budget	8,455,677	36.00
Baseline		
Citywide Adjustments for Standard Cost Changes	(123,184)	-
Proposed Operating		
Labor Cost Adjustment	137,293	-
Classification Adjustment for Administrative Staff Member	15,306	-
Vacancy Rate Salary Savings	(152,599)	-
OLS Fund Revenue Updates	-	-
Proposed Technical		
Ongoing Changes from Current Year Legislation	8,000	-
Office of Labor Standards Fund Balancing Entry	-	-
Council		
Implementation of Network Company License and Fee Program	500,000	7.00
Staffing Cost Adjustment	137,000	-
Creation of Portable Paid-Time-Off Policy for Domestic Workers	100,000	-
SCERS Contribution Rate Change	(36,015)	-
Total Incremental Changes	\$585,801	7.00
Total 2024 Adopted Budget	\$9,041,478	43.00

Description of Incremental Budget Changes

Baseline

Citywide Adjustments for Standard Cost Changes

Expenditures \$(123,184)

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.

Proposed Operating

Labor Cost Adjustment

Office of Labor Standards

Expenditures \$137,293

This item increases appropriation authority by \$137,293 the Office of Labor Standards to (00190)-(OLS-BO-LS-100) for labor costs experienced in FY 2024 and beyond. This item will make the OLS labor budget reflect the current pay for the employees instead of the typical mid-point budgeting. This item is offset by a 4.5% vacancy assumption.

Classification Adjustment for Administrative Staff Member

Expenditures \$15,306

Position Allocation -

This item increases appropriation authority by \$15,306.02 on-going starting in FY 2024 in the Office of Labor Standards to (00190)-(OLS-BO-LS-100) for cost associated with a Seattle Department Human Resources determination that the FY 2023 addition of an Administrative Specialist III is more appropriately classified as an Administrative Staff Assistant.

Vacancy Rate Salary Savings

Expenditures \$(152,599)

This item increases the department's budgeted vacancy rate from 0% to 4.5%, resulting in approximately \$153,000 annually in budget savings, which will offset the Classification Adjustment to Administrative Staff Assistant and Labor Cost Adjustment.

OLS Fund Revenue Updates

Revenues \$(830,204)

This item decreases revenue from the General Fund to the Office of Labor Standards fund to reflect the budget changes described above. OLS is using fund balance from 2023, which means the OLS Fund needs a lower General Fund transfer than it did in 2023. This item reduces the General Fund transfer from \$8 million to \$7.1 million.

Proposed Technical

Ongoing Changes from Current Year Legislation

Expenditures \$8,000

This is a technical item to reflect the ongoing budget change resulting from current year legislation in 2023, including the Q3 Supplemental Budget Ordinance. This item is for the \$8,000 ongoing costs associated with implementation of the App-Based Worker Paid Sick and Safe Time Ordinance.

Office of Labor Standards Fund Balancing Entry

Revenues \$715,021

This is a technical item to record a fund balancing entry for the OLS Department Fund, which are primarily managed by this department. OLS is anticipated to end 2023 with a fund balance of \$1.2 million, which partially offsets their anticipated expenditures in 2024. This entry makes use of that remaining fund balance and, when paired with the General Fund transfer of \$7.1 million, OLS will have the funding needed for approved expenditures in 2024.

Council

Implementation of Network Company License and Fee Program

Expenditures \$500,000

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Position Allocation 7.00

This item adds one-time Payroll Expense Tax funding (one-time) to the Department of Finance and Administrative Services (FAS) for set-up costs and temporary staffing to implement the network company license and fee program. The adopted budget also includes implementation funding for the Office of Labor Standards (OLS). Please see the OLS budget book section for additional details. The funding will support preparation for licensing and fee collection including software development, temporary staffing to manage software development, and outreach.

Staffing Cost Adjustment

Expenditures	\$137,000
Revenues	\$137,000

This Council Budget Action (CBA) adds \$137,293 to the Office of Labor Standards Fund (00190)-(OLS-BO-LS-100) for labor costs experienced in FY 2024 and beyond. This item will make the OLS labor budget reflect the current pay for the employees instead of the typical mid-point budgeting. This item reduces the need for the 4.5% vacancy assumption in the Proposed Budget.

Creation of Portable Paid-Time-Off Policy for Domestic Workers

Expenditures	\$100,000
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The City Council added \$100,000 in one-time funding from the Jumpstart Payroll Expense Tax Fund to support continued development of a portable paid-time-off policy for domestic workers.

SCERS Contribution Rate Change

Expenditures	\$(36,015)
Revenues	\$(36,015)

The City's employee retirement system, the Seattle City Employees Retirement System (SCERS), of which most non-uniformed City employees are members, is a defined benefit pension program funded by a combination of salary-based employer (i.e., the City) and employee contributions, and investment earnings.

The employer portion of the SCERS contribution is funded through the annual budget process as a percentage of salaries based on several factors including reports from the contracted actuary and the City's long-range financial forecasts. The Mayor's 2024 Proposed Mid-Biennial Budget included an employer contribution rate of 16.22%, which was determined prior to the actuary's recommendation but provided for long-term "smoothing" given the City's long-term financial challenges.

This item reduces the employer contribution rate from the proposed rate of 16.22% to the SCERS minimum actuarial required rate of 15.17%, which was determined to provide sufficient funding to the retirement system to achieve 100% funded status by 2042.

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2023-24 Mid-Biennium Adopted Budget Updates - Expenses

Budget Summary Level	Fund	Budget Process Phase Endorsed	Adopted Changes	Grand Total
Office of Labor Standards	00190 - Office of Labor Standards Fund	8,455,677	-14,199	8,441,478
	14500 - Payroll Expense Tax	0	600,000	600,000
Office of Labor Standards Total		8,455,677	585,801	9,041,478
Grand Total		8,455,677	585,801	9,041,478