## **Seattle** Office of Labor Standards

The Seattle Office of Labor Standards is bigger, stronger, and more strategic than ever. We are now responsible for implementing six labor laws. And we are excited to move into 2018 under the leadership of Mayor Jenny A. Durkan.

In January, OLS officially became an independent stand-alone department. We entered 2017 with double the budget from the previous year and with the opportunity and challenge of hiring 13 new staff.

In February, we announced the recipients of our <u>\$3.2 million Community Outreach and</u> <u>Education Fund</u>, including seven organizations and community partnerships (totaling 21 organizations), for two-year contract cycles. In the first three quarters of work, they reached over 36,000 workers through 616 outreach activities, 247 trainings, and 613 intakes of workers with potential labor standards violations. From the data collected, 85% of the workers reached are workers of color, 64% have a primary language other than English, 65% were born in a country other than the United States, 11% are homeless or unstably housed, 6% are transgender or gender non-conforming, and 23% are LGBQ.

In April, we announced rules for the newly passed Secure Scheduling Ordinance. These rules were the result of an intensive five-month collaborative rulemaking process gathering feedback from worker and business stakeholders through nine formal meetings and numerous ad hoc meetings and consultations.

In May, we moved into our new home, suite 375 in downtown Seattle's Central Building following a concentrated design and planning process, during which the OLS team worked temporarily out of an interim location. We love our new home!

In July, our historic <u>Secure Scheduling ordinance</u> went into effect, giving Seattle workers at large food and retail establishments predictable work schedules and access to hours. We have since provided 17 webinars (and counting) for several hundreds of participants (with another on the way on January 8<sup>th</sup>), and we have answered over 450 individualized compliance assistance questions from employers on this new law. We also started enforcing the ordinance on day one.

In August, we reached the proud milestone of having assessed <u>\$1 million in remedies</u> for almost 2,000 Seattle workers under Seattle's labor standards. This number represented the closure of more than 200 investigations, including those where OLS successfully negotiated settlement agreements with businesses that wanted to get into compliance once they realized they had

#### violated the law.

In September, we issued <u>final rule revisions to the Minimum Wage Ordinance</u>. This included ending the authorization for special certificates for individuals with disabilities in the City of Seattle, which had allowed for individuals with disabilities to be paid less than the minimum wage. This was another historic change.

In October, we announced a request for proposals for a two-year <u>\$1.4 million Business Outreach and</u> <u>Education Fund</u>. The goal of the fund is to reach and facilitate labor standards compliance among businesses not typically served by traditional outreach methods: businesses owned by lowincome and historically disenfranchised communities, including immigrants and refugees and people of color, as well as women, veterans, people with disabilities, and the LGBTQ community. We had a competitive application process and look forward to announcing the recipients of this fund in the New Year.

In October, we also announced revisions to <u>Chapter 140 rules</u> that govern our enforcement process, which included a new employee appeal process. Simultaneously, we implemented new enforcement priorities and procedures to address our increase in caseloads, enable us to be more strategic, and make the process clearer to provide better outcomes for both Seattle workers and businesses.

In November, we announced our <u>Directed Investigation Program</u>, whereby we can launch strategic investigations without receiving a complaint. Directed investigations will allow us to bridge the gap in industries and workplaces where there is a disproportionate number of vulnerable low-wage workers and where workers are least likely to complain; maximize resources; and level the playing field for employers.

In November, we also announced the proposed 2017 Labor Standards ordinance amending the Paid Sick and Safe Time ordinance to incorporate the more generous provisions of voter-passed, Washington Initiative 1433 establishing statewide paid sick leave. Changes include broader employer coverage (employers are now covered if they have one or more employees), broader family coverage (to include siblings, grandchildren, and children of *any* age) and no cap on use.

In December, that <u>law</u> was approved by Council and signed by Mayor Jenny A. Durkan. The law goes into effect on January 14<sup>th</sup>, 2018. We have held three training sessions to date. In December, we also announced the yearly <u>increase to the Minimum Wage</u>, which goes into effect on January 1, 2018.

Over the course of this year, we hired and trained twelve new staff, with one more on the way. This included a Finance and Operations Manager, Communications Manager, Executive Assistant, Administrative Assistant/Receptionist, Policy Analyst, a Business Liaison, and six new Labor Standards Investigators.

In this year alone, we have also closed over 110 investigations and assessed over \$472,217 in remedies for over 1,467 Seattle workers. We have responded to over 1,300 requests for compliance assistance from businesses. We have held several meetings with our community and business partners, including a training and engagement series we partnered on with the Fair Work Center under a Surdna Foundation grant they received. We worked collaboratively with the Labor Standards Advisory Commission. We created several new outreach materials, including but not limited to our <u>Commitment to Immigrants and Refugees</u>, <u>Employer Guide to Labor Standards</u>. Investigations, <u>Employer Guide to Recordkeeping</u>, and <u>2018 Workplace Poster</u>, which we mailed out to all 54,000 businesses licensed in the City of Seattle.

As we move into 2018, OLS continues to be a trailblazer in labor standards implementation and enforcement; OLS and the City of Seattle continue to serve as a model for the rest of the country. We are fielding a growing number of requests for assistance and guidance from other jurisdictions asking us everything from how we partner with and reach workers and businesses, what our rule making and legislative process is, how we have shaped and passed certain laws, how we conduct strategic enforcement, to how we track our progress. We were excited to be visited by local jurisdictions and thought leaders and invited to participate in gatherings throughout the year to learn from and inspire one another in this work.

While we accomplished <u>much</u> in 2017, there is much more to do, and we have much to look forward to in 2018. We wouldn't have accomplished any of this or be where we are today without all of you – our community.

We look forward to continuing our work with all of you in 2018 to meet our mission to advance labor standards through thoughtful community engagement, strategic enforcement, and innovative policy development with a commitment to justice.



Members of the OLS team took part in the Making Paid Sick Days Work; Sharing Strategies 2017 conference hosted by the Center for Law and Social Policy in Washington DC.

OLS is currently mandated to implement six labor laws: Minimum Wage, Paid Sick and Safe Time, Wage Theft, Fair Chance Employment, Secure Scheduling and the Hotel Employees Health and Safety Initiative.

OLS is committed to serving all of Seattle's workers and businesses and offers free services to everyone, regardless of their immigration status. These services include labor standards investigations, outreach to workers and businesses, compliance assistance for businesses, and resources and referrals.



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#### 09/29/2017

Office of Labor Standards Issues Final Rule Revisions for City of Seattle

Minimum Wage Ordinance

FOR IMMEDIATE RELEASE September 29, 2017

Contact: Cynthia Santana 206-256-5219 cynthia.santana@seattle.gov

Rule revisions include eliminating subminimum wages for people with disabilities and changes from statewide Initiative 1433.

Seattle – (September 29, 2017) The Seattle Office of Labor Standards (OLS) announces finalized revisions to the administrative rules for the Minimum Wage Ordinance (<u>SHRR Chapter 90</u>).



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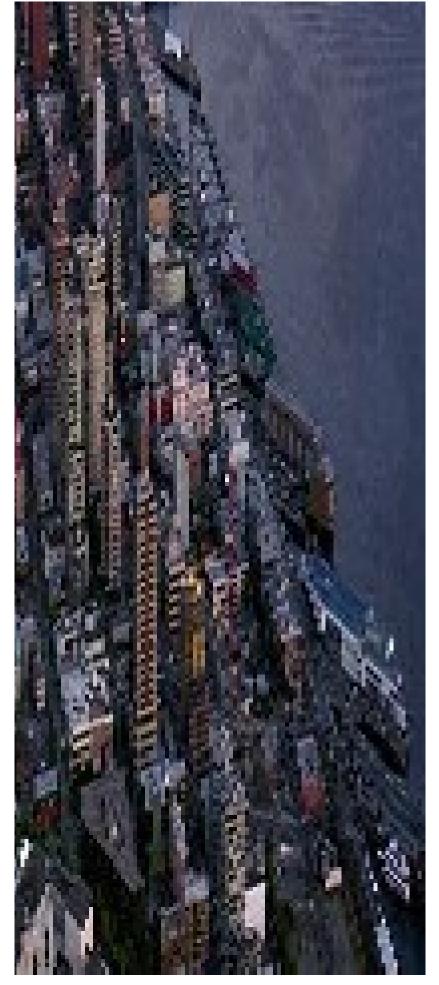
Notice of Nondiscrimination © Copyright 1995-2016 City of Seattle Seattle Commission for People with DisAbilities supported taking this historic step this summer. The commission voted unanimously at its June meeting to end the exemption allowing employers in Seattle to pay a subminimum wage for their disabled workers.

"This change is long overdue," said OLS Director Dylan Orr who served for over five years at the U.S. Department of Labor (DOL), including two years as chief of staff for the Office of Disability **Employment Policy (ODEP). "This is a civil** rights issue, and we are proud to be addressing it. The raise in wage closes the wage gap that could exist under the former law between people with disabilities and people without disabilities doing the same work," said **Orr. "OLS received a significant number** of public comments. We reviewed over 65 submissions, and take each and every one seriously. We want to thank the public for its concern and participation."

The revisions also reflect legislation passed during the 2017 budget process establishing OLS as an independent office; changes resulting from the Wage Theft Prevention and Harmonization Ordinance of 2015 and statewide Initiative 1433; and other requests for clarification from the public.

**Key revisions include:** 

Employment in Seattle: Clarified that the phrase, "... typically based outside of the City working in the City on an occasional basis," means the employee works for an employer outside Seattle city limits for



more than 50% of the employee's work hours in a year.

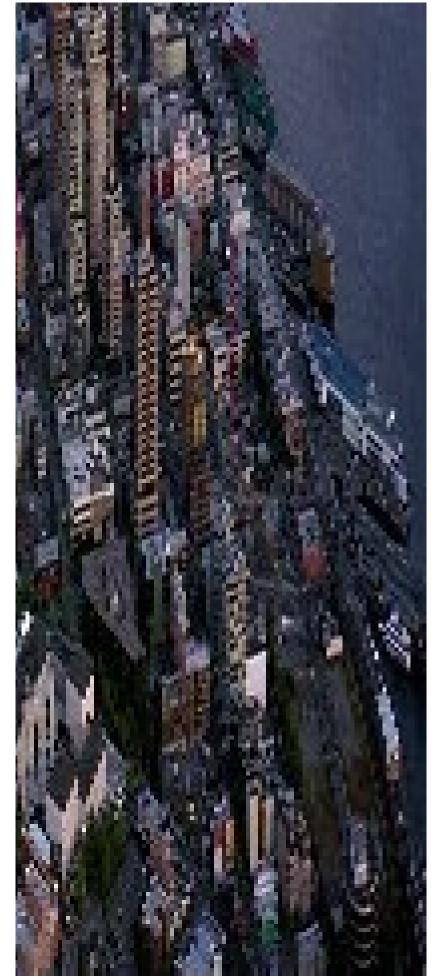
Special certificates: Removed the Director's authority to issue Special Certificates permitting employers to pay employees with a disability less than Seattle's minimum wage.

Service charges: Clarified that service charges paid to an employee may count toward commissions or Seattle's minimum wage and minimum compensation, but only for the employee's earnings above the state minimum wage.

Employers' payments toward individual employee's medical benefits plans: Clarified that an employer can pay the lower minimum wage allowed by the ordinance only when that employer is paying toward an individual employee's medical plan and the employee is enrolled and is eligible to receive benefits. Exceptions to this rule include if an employer is paying toward an individual employee's medical benefits during a waiting period for enrollment and eligibility or if an employer is paying toward a multi-employer health and welfare benefit plan established under the Taft-Hartley Act.

Payroll records: Clarified that employers must keep records of service charges and tips paid to employees, payments toward employees' medical benefits, and the actuarial value of medical benefits. Work Study: Deleted the definition of "work study."

OLS issued initial draft revisions for

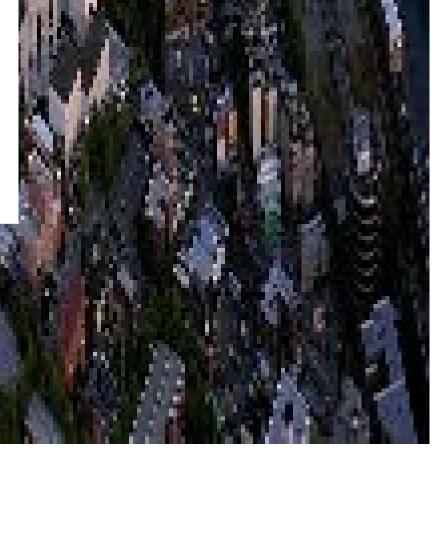


notice and comment in late February 2017 and issued additional revisions in August 2017. OLS carefully reviewed and considered numerous comments from stakeholders regarding the proposed change to subminimum wages and service charges. OLS also worked closely with the Washington State Department of Labor & Industries to clarify certain issues before finalizing the rules.

This fall, OLS will submit legislation to City Council codify the elimination of the subminimum wage for people with disabilities. The City Council will vote on this legislation before the end of the year. For more information, visit https://www.seattle.gov/laborstandards or call 206-256-5297.

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**Source: Labor Standards** 



Office of Labor Standards Issues Final Rule Revisions for City of Seattle Minimum Wage Ordinance

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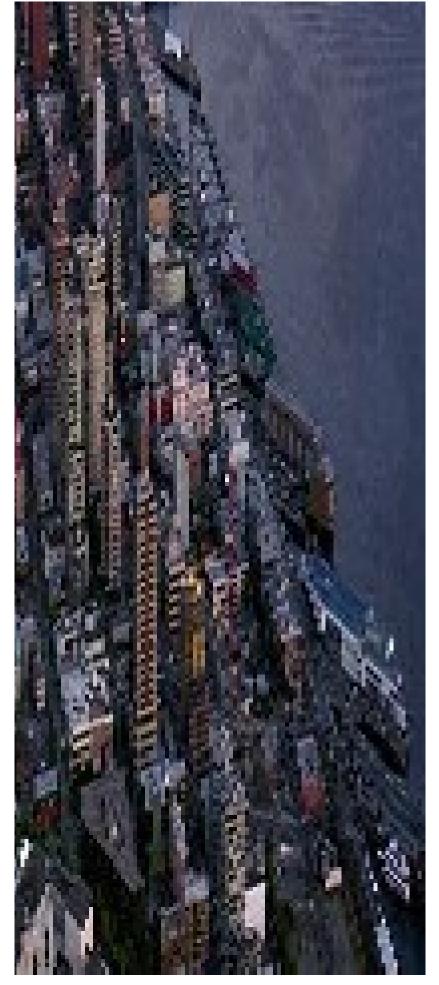
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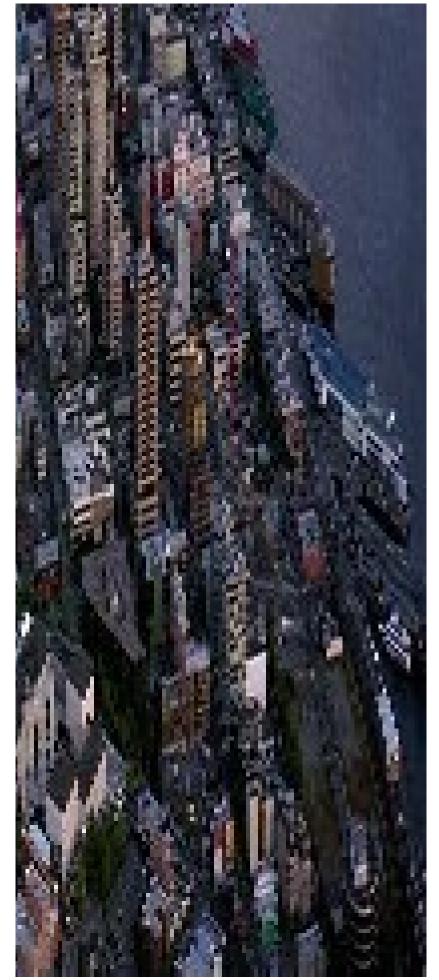
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