

Council Presentation
01/18/18

City of Seattle Office of Labor Standards



**HISTORY AND PROGRESS IN THE
MAKING**





Advancing Workplace Equity

Community ♦ Business ♦ Race & Social Justice

Our mission 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.

Labor Standards Enforcement

Minimum Wage Ordinance

Wage Theft Ordinance

Paid Sick and Safe Time Ordinance

Fair Chance Employment Ordinance

Secure Scheduling Ordinance

Hotel Employees Health and Safety Initiative Ordinance

Initiative Ordinance

THESE ORDINANCES COVER ALL EMPLOYEES WORKING INSIDE SEATTLE CITY LIMITS, REGARDLESS OF EMPLOYEES' IMMIGRATION STATUS OR LOCATION OF THEIR EMPLOYER. Employers must comply with these laws. Retaliation is illegal.

2018 Seattle Labor Standards Ordinances

The mission of the Office of Labor Standards 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.



This poster must be displayed in a noticeable area at the workplace, in English and the languages spoken by employees. The Office of Labor Standards provides translations, interpretations, and accommodations for people with disabilities.

SMC 14.19
Minimum Wage

SETS MINIMUM WAGES FOR EMPLOYEES

Large Employers
(501 OR MORE EMPLOYEES)

Does the employer pay toward the individual employee's medical benefits?

\$15.45 PER HOUR	\$15.00 PER HOUR
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Small Employers
(500 OR FEWER EMPLOYEES)

Does the employer pay at least \$2.00 per hour toward the individual employee's medical benefits and/or does the employee earn at least \$2.50 per hour in tips?

\$14.00 PER HOUR	\$11.50 PER HOUR
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SMC 14.20
Wage Theft

PROVIDES PROTECTIONS AGAINST WAGE THEFT

Employers must pay all compensation owed on a regular pay day and give employees written information about their job and pay.

Written information must include:

- Employer's name and contact information
- Employer's rate of pay, eligibility to earn overtime, pay basis (hour, shift, day, week, commission), and regular pay day
- Explanation of employer's tip policy
- Itemized statement of pay information on pay days

Examples of pay requirements:

- Pay minimum wages
- Pay overtime
- Pay for rest breaks
- Pay amount promised
- Pay for work off the clock
- Pay tips
- Pay service charges (unless listed on receipt or invoice as not payable to the employee(s) serving the customer)
- Reimburse employer expenses
- No misclassification of employees

SMC 14.17
Fair Chance Employment

LIMITS USE OF CONVICTION AND ARREST RECORDS

Prohibited:

- Job ads that exclude applicants with conviction or arrest records
- Job applications with questions about conviction or arrest records, unless the employer has already screened the applicant for minimum qualifications
- Job denial (or other adverse employment actions) based solely on an arrest record

Some exceptions apply, including jobs with unsupervised access to children under 14, people with developmental disabilities, or vulnerable adults

Employers are required to:

- Delay criminal background checks until after screening applicants for minimum qualifications
- Follow procedures before taking an adverse action based solely on a criminal background check:
 - Provide an opportunity to explain or correct criminal background check information
 - Hold the position open for at least two business days
 - Have a legitimate business reason that employing the person will harm the business or impact the employer's ability to perform the job

SMC 14.16
Paid Sick & Safe Time

REQUIRES PAID LEAVE FOR MEDICAL OR SAFETY ISSUES

Employers must provide employees with paid leave to care for themselves or a family member.

Sick Time: A physical or mental health condition, including a medical appointment

Safe Time: Reasons related to domestic violence, sexual assault, stalking or public health issues*

Paid Sick & Safe Time (PSST) Rates

EMPLOYER SIZE (FTE/LE/SEMI-FTE/WORKFORCE)	TIER 1	TIER 2	TIER 3
Up to 49 FTEs	50 - 249 FTEs	250+ FTEs	
Accrual of PSST PER HOUR WORKED	1 hour per 40 hours	1 hour per 40 hours	1 hour per 20 hours
Carry over of unused PSST PER YEAR	40 hours	56 hours	72 hours**

* SAFE TIME CAN ALSO BE USED TO CARE FOR A HOUSEHOLD MEMBER
**56 HOURS FOR TIER 2 EMPLOYEES WITH A PAID TIME OFF (PTO) POLICY

<p>Employers Private and free services. Compliance assistance and training.</p>	<p>Employees Private and free services. Training, intake, and investigations or- file a lawsuit in court</p>	<p>206-256-5297 www.seattle.gov/laborstandards</p>
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EMPLOYEES CAN CHECK THE LANGUAGE BELOW TO INSURE THEIR EMPLOYER OF THE POSTER HUNG IN THE WORKPLACE

OFFICE OF LABOR STANDARDS 810 THIRD AVE, SUITE 2175, SEATTLE, WA 98104 (206) 256-5297 LABORSTANDARDS@SEATTLE.GOV HOURS: 8 AM-5 PM (MON-FRI)



Community & Business Organizations Outreach and Education Partners





OLS Personalized Assistance

206-256-5297

Ask us!

Business.laborstandards@seattle.gov

- ❖ Darius Foster, Business Liaison
- ❖ Kerem Levitas, Business Liaison
- ❖ Jenee Jahn, Policy Analyst
- ❖ Karina Bull, Policy Manager

Workers.laborstandards@seattle.gov

- ❖ Claudia Alexandra Paras, Community Liaison



OLS HISTORY

2012	First Labor Standard in Seattle Paid Sick and Safe Time Ordinance goes into effect
2013	Fair Chance Employment Ordinance
2014	Mayor convened Income Inequality Advisory Committee to craft minimum wage policies Mayor and City Council convened Labor Standards Advisory Group to address wage theft and to suggest ways to strengthen labor standards implementation City Council passed legislation creating Office of Labor Standards as a new division within the Seattle Office for Civil Rights
April 1, 2015	OLS is established as a new division within OCR Minimum Wage and Wage Theft Ordinances go into effect
2016	Wage Theft Prevention and Labor Standards Harmonization Ordinance goes into effect Hotel Employees Health and Safety Initiative passed
January 1, 2017	OLS is an independent office!! Secure Scheduling Ordinance

2015 HIGHLIGHTS

- April: OLS established as separate division within OCR
- April: **Minimum Wage Ordinance** goes into effect
- April: **Wage Theft Ordinance** goes into effect
- June: OLS's first Director begins
- July & September: OLS issued RFP for first \$1 million (1 year) and announces recipients of **Community Outreach and Education Fund**
- July – December: OLS undertakes intensive stakeholder engagement process culminating in City Council passing **Wage Theft Prevention and Harmonization Ordinance** in December
 - Expanded remedies and protections for workers
 - Treble damages
 - Tiered penalty structure
 - Retaliation Protections
 - Confidentiality Protections

2016 HIGHLIGHTS

- January: **Wage Theft Prevention and Labor Standards Harmonization Ordinance** goes into effect
- March – September: OLS, Executive, and City Council engage in 6 month collaborative stakeholder process to develop **Secure Scheduling** legislation, which City Council passes in September, making Seattle the second major City to have such legislation
- September: OLS announces recipients of first \$475k **Business Outreach and Education Fund**
- November: Voters pass legislation **for Hotel Employees Health and Safety Initiative**

2017 HIGHLIGHTS



Seattle Office of Labor Standards

December 29, 2017

Dear Friends,

As I write this, 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.

Before we enter the new year, I wanted to spend time reflecting on some highlights of our incredibly full (and fun) 2017:



In January, OLS officially became an independent stand-alone department in the Executive, and I officially became its Director. 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 [\\$3.2 million Community Outreach and Education Fund](#), 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

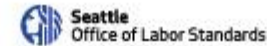
English, 65% were born in a country other than the United States, 11% are homeless or unstably housed, 6% are transgender or gender non-conforming, and 23% are LGBTQ.

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 my team worked temporarily out of an interim location. We love our new home!

In July, our historic [Secure Scheduling ordinance](#) 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 8th](#)), 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 [\\$1 million in remedies](#) 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



SECURE SCHEDULING ORDINANCE SMC 14.22

Covers hourly employees at retail and food service establishments with 500+ employees worldwide
Full service restaurants also must have 40+ full-service locations worldwide

EFFECTIVE JULY 1, 2017



Good faith estimate.
For the upcoming year, employer must provide a written forecast of employee's median hours per work week and whether to expect on-call shifts.



Right to request input into work schedule.
Before the work schedule is posted, employer must grant schedule requests related to a major life event (employee's transportation, housing, other job), education, caregiving, and self-care for serious health condition) unless the employer identifies a bona fide business reason (significant cost or disruption).



Advance notice of work schedule.
Employer must post work schedules 14 days in advance.



Right to rest between work shifts.
Employer must pay time-and-a-half for any hours worked between closing and opening (closing) shifts that are separated by less than 10 hours.



Access to hours for current employees.
Before hiring new employees, employer must post notice of available hours for 3 days and offer the job to qualified, current employee(s), subject to exceptions.

Premium pay for work schedule changes after schedule is posted.

► **Additional hours:** Employer must provide an additional hour of pay, plus wages earned.

► **Subtracted hours:** Employer must pay for half of the hours not worked, plus wages earned, for regular and on-call shifts.

► **Exceptions to premium pay requirements:**

- Grace period for additions or subtractions of 15 minutes or less.
- Employee requests for schedule changes and/or shift swaps with another employee.
- Employer reduction of hours due to disciplinary reasons.
- Employer inability to begin or continue operations due to events such as a public utilities failure, a natural disaster, or inclement weather.
- Employee acceptance of additional hours in response to employer
 - Mass communication about additional hours due to scheduled employee not being able to work; or
 - In-person group communication about additional hours that are due to unanticipated customer needs and are consecutive to employee's current shift.

This law applies to employees regardless of immigration status.

Employers must comply with this law. Employees are not allowed to engage in pattern or practice of unlawful activity. Retaliation is illegal. The Seattle Office of Labor Standards provides language translation, interpretation, and accommodation for people with disabilities upon request.

Employers
Private and fire services,
including technical assistance and training.

Employees
Private and fire services,
including training, intake, and investigations
—in-fire & health & safety.

Contact Us
315-684-4569
www.seattle.gov/olstandards

¡¡¡CHEER UP FOR YOUR LANGUAGE!!! Amharic/አማርኛ Arabic/عربي Danish/دانسك English/እንግሊዝ Spanish/ስፕላን German/ጀርመን Italian/ኢጣሊያ Japanese/ጃፓን Korean/ኮሪያ
 Chinese/ሮንዘላ French/ፍራንሳይዝ Hindi/ሲንደላይ Korean/ኮሪያ Russian/ሪሲያን Spanish/ስፕላን Tagalog/ጥገላ Thai/ጣይ Vietnamese/ቪየትናም Vietnamese/ቪየትናም Vietnamese/ቪየትናም

Poster created by the Seattle Office of Labor Standards; some graphics courtesy of the Seattle City Council

2017 HIGHLIGHTS

- January: OLS became a stand-alone Department in the Executive
- February: OLS announced recipients of our **2-year \$3.2 million Community Outreach and Education Fund**, including 7 organizations and community partnerships (21 orgs total)
 - In the first three quarters of work:
 - Partners reached over **36,000 workers** through 616 outreach activities, 247 trainings, and 613 intakes of workers with potential labor standards violations.
 - **85% of the workers reached were workers of color, 64% had a primary language other than English, 65% were born in a country other than the United States, 11% were homeless or unstably housed, 6% were transgender or gender non-conforming, and 23% were LGBTQ.**



2017 HIGHLIGHTS

- April: OLS announced rules for the newly passed Secure Scheduling Ordinance following a five-month collaborative rule-making process with worker and business stakeholders
- May: OLS moved into our new home in Suite 375 in the Central Building following a concentrated design and planning process.
- July: Seattle's historic **Secure Scheduling ordinance** went into effect, giving Seattle workers at large food and retail establishments predictable work schedules and access to hours.
 - OLS has provided 18 webinars to date, and answered over 400 compliance assistance questions from employers. We started enforcing on day one.
- August: OLS reached the milestone of having assessed **\$1 million in remedies** for almost 2,000 Seattle workers via 200 closed investigations

2017 HIGHLIGHTS

- September: OLS issued final **new rules for the Minimum Wage Ordinance**. 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.
- October: OLS announced a request for proposals for a two-year **\$1.4 million Business Outreach and Education Fund**.
- October: OLS announced revisions to **Chapter 140 rules** that govern our enforcement process, which included a new employee appeal process and faster response times.
- We also implemented new enforcement priorities and procedures to address our increase in caseloads, enable us to be more strategic, and make the process more clear to provide better outcomes for both Seattle workers
- November: OLS announced our **Directed Investigation Program**, whereby we can launch strategic investigations without receiving a complaint.

2017 HIGHLIGHTS

- November: OLS 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.
- PSST amendments voted on by City Council and signed by Mayor Durkan in December and went into effect on January 14, 2018.
- OLS developed a new case management system
- We also created several new outreach materials, including:
 - **Our Commitment to Immigrants and Refugees**
 - **Employer Guide to Labor Standards Investigations**
 - **Employer Guide to Recordkeeping**
 - **How OLS Analyzes Worker Classification**
 - **2018 Workplace Poster**

OLS Staff



OLS STAFF HISTORY

□ 2017 – Independent Office

- **Grew from 10 to 23 FTEs (12 new staff hired in 2017)**
- Director; Policy Manager; Finance & HR Manager; Communications Manager; 2 Business Liaisons; Community Liaison; Investigator Supervisor; Strategic Enforcement Manager; Executive Assistant; Admin Assistant/Receptionist; Paralegal; 10 Investigators
- **4 staff using city's paid parental leave**

□ 2016

- **10 FTEs (shared others with OCR)**
- Director; Senior Policy Analyst; Business Liaison; Community Liaison; Investigator Supervisor; Paralegal; 4 Investigators

□ 2015 – New Division in OCR

- **7 FTES (shared others with OCR)**
- Director; Senior Policy Analyst; Business Liaison; Community Liaison; 4 Investigators

PERFORMANCE DATA

ALL ORDINANCES - ASSISTANCE

Employer Compliance Assistance

- December – 211
- 2017 – 1,326
- Since Implementation – 7,078

Employee Inquiries

- December – 99
- 2017 – 1,023
- Since Implementation – 3,196

PERFORMANCE DATA – ALL ORDINANCES

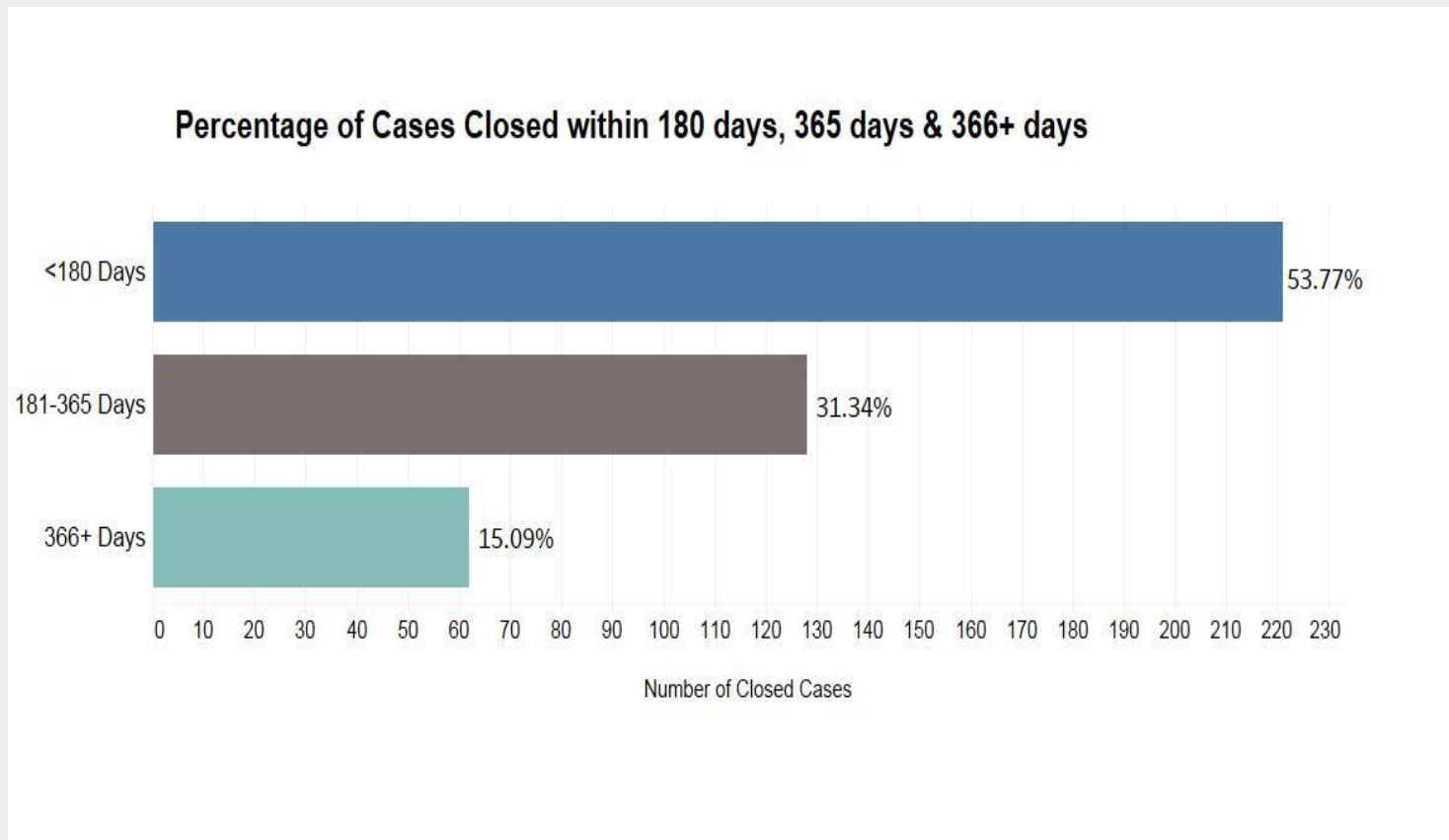
- **Investigations Opened**
 - **2017 – 95**
 - **Since Implementation – 576**

- **Investigations Closed**
 - **2017 – 116**
 - **Since Implementation – 413**

- **Average # of Days to Close**
 - **December – 377**
 - **2017 – 336**
 - **Since Implementation – 210**

****OLS conducts company-wide investigations**

PERFORMANCE DATA – ALL ORDINANCES



PERFORMANCE DATA – ALL ORDINANCES

□ Monetary Remedies

- **2017 - \$504,905**
- **Since Implementation - \$1,298,805**

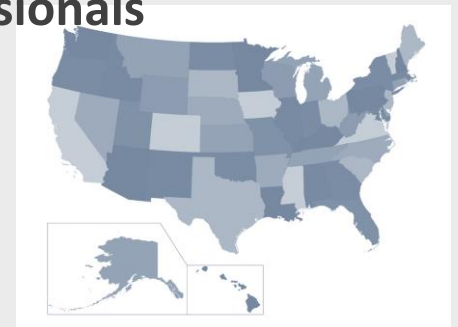
□ # of Workers Receiving Remedies

- **2017 - 1,539 workers**
- **Since Implementation - 2,562 workers**

SEATTLE

- ❖ **Agency** - Office of Labor Standards
- ❖ **2018 Budget** – \$5,698,216 (-\$2.3 million for outreach contracts = \$3,398,216)
- ❖ **Staff** – 23 employees

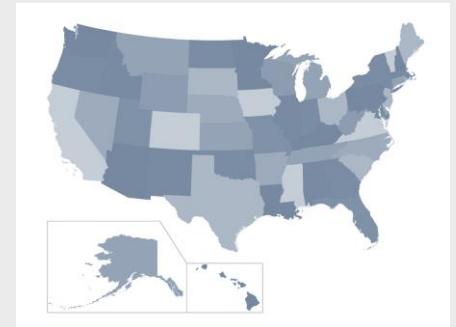
- Director
- Policy Manager
- Communications Manager
- HR/Finance Manager
- Enforcement Manager
- Enforcement Supervisor
- 10 Investigators
- Policy Analyst
- 2 Business Liaisons
- Community Liaison
- Paralegal
- 2 Admin. Professionals



SAN FRANCISCO

- ❖ **Agency** - Office of Labor Standards Enforcement
- ❖ **Budget** - \$5,563,136 (-\$835,000 for outreach contracts and \$550,000 for payroll and compliance tracking functions = \$4,178,136)
- ❖ **Staff** – 25 employees

- Director
- Deputy Director
- Administrative Professional
- 2 Analysts
- 20 Investigators (15 – labor standards; 5 – prevailing wage)



Investigations – SF’s Minimum Wage ordinance has 365 day target for closure – 86% of cases closed within 365 days in FY 2017

LABOR STANDARDS IMPLEMENTATION AT LOCAL LEVEL

- Reduction of funding at federal level
- DOL's removing of administrative guidance
- Increased vulnerability of vulnerable communities
- Seattle as Model – Laws, Enforcement, Business Support, Community Support
 - Technical assistance to over 30 jurisdictions
 - Visits from/to other jurisdictions
 - Participation in national policy conversations (e.g. Center for Law and Social Policy)

**2018
Onward
and
Upward!**

seattle.gov/laborstandards

laborstandards@seattle.gov

206-256-5297

