



City of Seattle

Edward B. Murray, Mayor

April 25, 2016

Seattle City Councilmembers
600 Fourth Avenue, 2nd Floor
Seattle, WA 98124

RE: Plan for increasing resources for the Office of Labor Standards

Dear Councilmembers,

As the City moves forward in implementing the transition to the \$15 per hour minimum wage, educating employees and employers alike about the rights and responsibilities with respect to “sick and safe” time, and enforcing laws against wage theft, I would like this opportunity to present my plan for increasing the resources invested in the Office of Labor Standards (OLS) and providing the funding needed to support these investments.

The need for additional resources to support OLS is clear. Caseloads have grown significantly. In addition, the responsibilities of the Office have expanded as the City has adopted new regulations to protect the wages and working conditions of those employed in Seattle. Currently, OLS has approximately 150 open investigations involving 106 employers. This caseload has grown 33% since the beginning of the year. As caseloads have increased, the length of time between a complaint filing and the completion of investigations has also grown. Through the second half of 2015 and into 2016, the average number of days to resolve an investigation has grown substantially, from an average of 116 days in August 2015 to 188 in March 2016. It is clear that this investigatory work is essential. Through March of this year, OLS had found 30 violations and completed 129 investigations that provided directly to employees a total of more than \$240,000 in remedies. Without additional staffing, OLS cannot effectively investigate complaints, enforce the City’s labor laws, and ensure workers are paid what they have earned.

Furthermore, we have identified a need for significant outreach to both employees and employers to educate them about the City’s regulations. Seattle is estimated to have over 500,000 employees and 60,000 businesses who may at some point be affected by one or more labor regulations. The City’s laws are largely complaint driven, and without knowledge of their rights under the new regulations, employees will not be in a position to identify violations. At the same time, employers cannot come into compliance if they do not understand what is required of them, and the practical implications of City laws. Recent discussions with both labor and business stakeholders have led me to conclude that our original estimates regarding the resources needed to conduct effective outreach understated the true need.

The table below summarizes the budget I believe is needed to both effectively enforce the City’s labor laws, and to educate those affected about their rights and responsibilities under these laws.

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Recommended Budget for Enforcement and Outreach

	Costs	FTE
OLS staff and Associated Expenses	\$3,140,000	22.00
Additional City Attorney Staff	\$140,000	1.00
Outreach Contracts	\$2,300,000	0.00
TOTAL (Including LAW)	\$5,580,000	23.00

These recommendations provide for a net increase of 13 staff at OLS, an additional City attorney to support enforcement, and a total of \$2.3 million per year for on-going outreach and education. The budget for outreach would provide \$1.5 million for education and support of employees, and \$800,000 for the same services targeted at local employers.

Relative to the OLS's current budget, the additional staff and grant funds will require an increase of approximately \$3.6 million in annual funding. While this represents a significant commitment of resources, this increase can be managed within the City's total General Fund budget of approximately \$1.2 billion, *without* raising additional revenues. In particular, my proposed budget for the 2017 and 2018 biennium will include funding for OLS at the level recommended above, and call for OLS to be established as a fully independent function, separate from the Office for Civil Rights in which it is currently housed.

While some have suggested that OLS should be funded from a specific, dedicated funding source, this would be inconsistent with the City's overall budgeting approach. OLS is a critical City function, as are Police, Fire and Human Services, and none of these receive dedicated funding.

As demonstrated by first establishing OLS in 2014, introducing legislation in 2015 to strengthen the City's labor laws, and now more than doubling the budget for the Office, this administration has a clear and strong commitment to working with both business and labor to educate those affected by the City's new labor laws, and protect those whose rights are violated. I look forward to working with you over the coming months to fulfill a joint commitment to funding a robust and effective Office of Labor Standards.

Sincerely,



Edward B. Murray
Mayor, City of Seattle