

Seattle City Council Select Budget Committee
Proposed Budget Amendments | Tuesday, October 25, 2022

Office of Labor Standards (OLS)

| CBA # | Title | Sponsor | Packet Page |
|--------------------|--|---------|-------------|
| OLS-001-A-001-2023 | Add \$552,000 OLS Fund (2023) and \$527,000 OLS Fund (2024) and 3.0 FTE to OLS to implement the App-Based Worker Minimum Payment Ordinance and provide enforcement support for all labor standards | Herbold | 2 |

2023 Seattle City Council Budget Action

Council Budget Action: Agenda

| Tab | Action | Option | Version |
|-----|--------|--------|----------|
| OLS | 001 | A | 001-2023 |

Budget Action Title: Add \$552,000 OLS Fund (2023) and \$527,000 OLS Fund (2024) and 3.0 FTE to OLS to implement the App-Based Worker Minimum Payment Ordinance and provide enforcement support for all labor standards

Ongoing: Yes Has Budget Proviso: No

Has CIP Amendment: No Has Attachment: No

Primary Sponsor: Lisa Herbold

Council Members: Andrew Lewis, Teresa Mosqueda

Staff Analyst: Karina Bull

Council Bill or Resolution:

| Date | | Total | LH | TM | KS | AP | DJ | DS | AL | BC | SN |
|------|---------|-------|----|----|----|----|----|----|----|----|----|
| | Yes | 0 | | | | | | | | | |
| | No | 0 | | | | | | | | | |
| | Abstain | 0 | | | | | | | | | |
| | Absent | 0 | | | | | | | | | |

Summary of Dollar Effect

See the following pages for detailed technical information

| | 2023 Increase (Decrease) | 2024 Increase (Decrease) |
|---|--------------------------|--------------------------|
| Other Funds | | |
| Office of Labor Standards Fund (00190) | | |
| Revenues | \$0 | \$0 |
| Expenditures | \$551,497 | \$526,497 |
| Net Balance Effect | \$(551,497) | \$(526,497) |
| | | |
| | | |
| Total Budget Balance Effect | \$(551,497) | \$(526,497) |

Budget Action Description:

The Council Budget Action would add \$552,000 OLS Fund in 2023 and \$527,000 OLS Fund in 2024 and 3.0 FTE to the Office of Labor Standards (OLS) to implement the App-Based Worker Minimum Payment Ordinance (Ordinance 126595) and provide enforcement support for all labor standards.

In May 2022, Council passed the App-Based Worker Minimum Payment Ordinance to secure workplace protections for app-based workers performing services in Seattle. Since network companies hire app-based workers as independent contractors, these workers lack access to minimum wage, unemployment benefits, workers' compensation, and other employee protections. Effective in January 2024, the App-

2023 Seattle City Council Budget Action

Council Budget Action: Agenda

| Tab | Action | Option | Version |
|-----|--------|--------|----------|
| OLS | 001 | A | 001-2023 |

Based Worker Minimum Payment Ordinance will require network companies to comply with minimum payment standards for app-based workers, engage in transparent business practices with workers and customers, and routinely submit data to the City.

This proposal is intended to support OLS's implementation of the App-Based Worker Minimum Payment Ordinance by funding set-up costs, staffing, and outreach:

- Set-up costs: \$25,000 in 2023 (one-time) for rulemaking, new employee costs, and software, hardware and consulting needs for new data requirements;
- Staffing: \$427,000 in 2023 and 2024 for 1.0 FTE Administrative Specialist (Administrative Specialist III), 1.0 FTE Policy Analyst (Strategic Advisor 1); and 1.0 FTE Data Analyst (Strategic Advisor 1); and
- Outreach: \$50,000 in 2023 and 2024 for an outreach campaign with ad placements, translated informational materials, trainings, and contracted partnerships with local organizations to reach community members with culturally competent and linguistically appropriate services.

This proposal is also intended to increase OLS's enforcement capacity for all labor standards (including but not limited to the App-Based Worker Minimum Payment Ordinance) by funding \$50,000 in 2023 and 2024 to support co-enforcement initiatives with local organizations to include more workers in the investigative process, mobile intake programs to reach workers with multiple job sites, and professional development to build investigator skills and expertise.

The 2023-2024 Proposed Budget would not include additional appropriations for this work and would reduce OLS's overall capacity by eliminating 1.0 FTE Data Analyst (Strategic Advisor 1) and reducing funds for professional development. While the 2023-2024 Proposed Budget would preserve two current vacancies (1.0 FTE Labor Standards Engagement Specialist and 1.0 FTE Senior Investigator) for new initiatives, these positions would be responsible for the pre-existing work of other labor standards and would have limited capacity for additional projects.

Budget Action Transactions

| # | Transaction Description | Position Title | Number of Positions | FTE | Dept | BSL | Fund | Year | Revenue Amount | Expenditure Amount |
|---|--|----------------|---------------------|-----|-------------|--|--|------|----------------|--------------------|
| 1 | Increase OLS Fund to support enforcement of all labor standards | | 0 | 0 | OLS - LS000 | OLS - BO-LS-1000 - Office of Labor Standards | 00190 - Office of Labor Standards Fund | 2023 | \$0 | \$50,000 |
| 2 | Increase OLS Fund to support enforcement of all labor standards | | 0 | 0 | OLS - LS000 | OLS - BO-LS-1000 - Office of Labor Standards | 00190 - Office of Labor Standards Fund | 2024 | \$0 | \$50,000 |
| 3 | Increase OLS Fund to support outreach for App-Based Worker Minimum Payment Ordinance | | 0 | 0 | OLS - LS000 | OLS - BO-LS-1000 - Office of Labor Standards | 00190 - Office of Labor Standards Fund | 2023 | \$0 | \$50,000 |
| 4 | Increase OLS Fund to support outreach for App-Based Worker Minimum Payment Ordinance | | 0 | 0 | OLS - LS000 | OLS - BO-LS-1000 - Office of Labor Standards | 00190 - Office of Labor Standards Fund | 2024 | \$0 | \$50,000 |
| 5 | Increase OLS Fund to support set-up costs for App-Based Worker Minimum Payment Ordinance | | 0 | 0 | OLS - LS000 | OLS - BO-LS-1000 - Office of Labor Standards | 00190 - Office of Labor Standards Fund | 2023 | \$0 | \$25,000 |
| 6 | Pocket Adjustments | | 0 | 0 | OLS - LS000 | OLS - BO-LS-1000 - Office of Labor Standards | 00190 - Office of Labor Standards Fund | 2023 | \$0 | \$426,497 |

2023 Seattle City Council Budget Action

Council Budget Action: Agenda

| Tab | Action | Option | Version |
|-----|--------|--------|----------|
| OLS | 001 | A | 001-2023 |

| | | | | | | | | | | |
|----|--------------------|------------------------------|---|---|-------------|--|--|------|-----|-----------|
| 7 | Pocket Adjustments | | 0 | 0 | OLS - LS000 | OLS - BO-LS-1000 - Office of Labor Standards | 00190 - Office of Labor Standards Fund | 2024 | \$0 | \$426,497 |
| 8 | Pocket Adjustments | Admin Spec III | 1 | 1 | OLS - LS000 | OLS - BO-LS-1000 - Office of Labor Standards | 00190 - Office of Labor Standards Fund | 2023 | \$0 | \$0 |
| 9 | Pocket Adjustments | Admin Spec III | 1 | 1 | OLS - LS000 | OLS - BO-LS-1000 - Office of Labor Standards | 00190 - Office of Labor Standards Fund | 2024 | \$0 | \$0 |
| 10 | Pocket Adjustments | StratAdvsr1,General Govt-L17 | 2 | 2 | OLS - LS000 | OLS - BO-LS-1000 - Office of Labor Standards | 00190 - Office of Labor Standards Fund | 2023 | \$0 | \$0 |
| 11 | Pocket Adjustments | StratAdvsr1,General Govt-L17 | 2 | 2 | OLS - LS000 | OLS - BO-LS-1000 - Office of Labor Standards | 00190 - Office of Labor Standards Fund | 2024 | \$0 | \$0 |