

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)
General Fund		
General Fund Revenues	\$0	\$0
General Fund Expenditures	\$551,497	\$526,497
Net Balance Effect	\$(551,497)	\$(526,497)
Other Funds		
Office of Labor Standards Fund (00190)		
Revenues	\$551,497	\$526,497
Expenditures	\$551,497	\$526,497
Net Balance Effect	\$0	\$0
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.

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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-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 GF support to OLS Fund		0	0	FG - FG000	FG - BO-FG-2QA00 - Appropriation to Special Funds	00100 - General Fund	2023	\$0	\$551,497
2	Increase GF support to OLS Fund		0	0	FG - FG000	FG - BO-FG-2QA00 - Appropriation to Special Funds	00100 - General Fund	2024	\$0	\$526,497
3	Increase GF support to OLS fund		0	0	OLS - LS000	OLS - BR-LS-REVENUE - Office of Labor Standards - Revenue	00190 - Office of Labor Standards Fund	2023	\$551,497	\$0
4	Increase GF support to OLS fund		0	0	OLS - LS000	OLS - BR-LS-REVENUE - Office of Labor Standards - Revenue	00190 - Office of Labor Standards Fund	2024	\$526,497	\$0
5	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
6	Increase OLS Fund to		0	0	OLS - LS000	OLS - BO-LS-1000 -	00190 - Office of Labor	2024	\$0	\$50,000

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	support enforcement of all labor standards					Office of Labor Standards	Standards Fund				
7	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	
8	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	
9	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	
10	Pocket Adjustments		0	0	OLS - LS000	OLS - BO-LS-1000 - Office of Labor Standards	00190 - Office of Labor Standards Fund	2023	\$0	\$426,497	
11	Pocket Adjustments		0	0	OLS - LS000	OLS - BO-LS-1000 - Office of Labor Standards	00190 - Office of Labor Standards Fund	2024	\$0	\$426,497	
12	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	
13	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	
14	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	
15	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	