

SUMMARY and FISCAL NOTE*

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** Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

1. BILL SUMMARY

- a. **Legislation Title:** AN ORDINANCE relating to employment in Seattle; amending Sections 14.16.010, 14.16.015, 14.16.020, 14.16.025, 14.16.030, 14.16.040, 14.16.045, 14.16.050, 14.16.055, 14.16.120, 14.22.010, and 14.22.020 of the Seattle Municipal Code (SMC) to strengthen and clarify labor standards requirements for paid sick and paid safe time and secure scheduling; and amending the name of Chapter 14.22 of the SMC to make a technical correction.
- b. **Summary and background of the Legislation:** This legislation amends the Paid Sick and Safe Time and Secure Scheduling ordinances.

The Paid Sick and Safe Time amendments are necessary to incorporate the more generous provisions of voter-passed, Washington Initiative 1433 establishing statewide paid sick leave. Under state law, 1433 provisions automatically apply to hourly employees working in Seattle and throughout Washington state. Under OLS’s proposed legislation, the 1433 provisions apply equally to both hourly employees and overtime-exempt employees working in Seattle (with a few limited exceptions). Since PSST has always applied to both hourly and overtime-exempt employees, the proposed legislation maintains this broad employee coverage.

The Secure Scheduling amendments are necessary to clarify employer coverage in response to changes in federal NAICS codes. The legislation also includes minor technical and drafting corrections.

2. CAPITAL IMPROVEMENT PROGRAM

- a. **Does this legislation create, fund, or amend a CIP Project?** ___ Yes ___x___ No

3. SUMMARY OF FINANCIAL IMPLICATIONS

- a. **Does this legislation amend the Adopted Budget?** ___ Yes ___x___ No
- b. **Does the legislation have other financial impacts to the City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?**
No.
- c. **Is there financial cost or other impacts of *not* implementing the legislation?**

Yes, there are impacts of not implementing this legislation. If the legislation related to Paid Sick and Safe Time (SMC 14.16) is not implemented then the Office of Labor Standards will face serious impediments to messaging worker rights and employer obligations regarding paid sick and safe time due to a combination of more and less favorable requirements in local and state law. This legislation seeks to use Seattle Paid Sick and Safe Time as the baseline for the more favorable requirements. Also, without this legislation, OLS will be required to use a combination of two different Seattle labor standards, Paid Sick and Safe Time (SMC 14.16) and Wage Theft (14.20) to adequately enforce the local and state provisions of PSST requirements.

If the legislation related to Secure Scheduling (SMC 14.22) is not implemented then clarity regarding employer coverage is seriously undermined. Under the current Secure Scheduling ordinance, employer coverage is defined by 2012 NAICS codes for food services and retail establishments. Our legislation must reflect the recently established 2017 NAICS codes.

4. OTHER IMPLICATIONS

- a. **Does this legislation affect any departments besides the originating department?**

No.

- b. **Is a public hearing required for this legislation?**

No.

- c. **Does this legislation require landlords or sellers of real property to provide information regarding the property to a buyer or tenant?**

No.

- d. **Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**

No.

- e. **Does this legislation affect a piece of property?**

No.

- f. **Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities?**

This proposal will advance RSJI principles and positively impact vulnerable or historically disadvantaged communities by increasing coverage and facilitating implementation of Paid Sick and Safe Time and Secure Scheduling -- labor standards that are designed to address income inequality, protect public health and public safety, promote equal access to employment benefits, reduce the impact of criminal history in employment, and advance equitable treatment in the workplace. While all Seattle workers will benefit from implementation of these labor standards, people of color, women,

LGBTQ workers, people with disabilities and immigrants and refugees represent a substantial portion of the low income working community that would otherwise not have access to the minimum requirements and protections of these ordinances.

g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program’s desired goal(s).

The Paid Sick and Safe Time and Secure Scheduling ordinances, as with all of Seattle’s labor standards, seek to advance workplace equity for employees working in Seattle and particularly focus on addressing the issues experienced by vulnerable or historically disadvantaged workers. This legislation will help achieve our goals by expanding local PSST requirements to include the more generous provisions of statewide paid sick leave to both hourly and overtime exempt employees, and by clarifying the language in Secure Scheduling to make sure that employers are adequately identified for coverage.

The Office of Labor Standards will publicly share information on the implementation of Paid Sick and Safe Time and Secure Scheduling on our on-line, monthly dashboard. (<http://www.seattle.gov/laborstandards/data>) Additionally, our office will monitor compliance of individual employers; gather stakeholder input on enforcement and outreach efforts; and evaluate results from a study of Secure Scheduling requirements that is being coordinated by the Office of the City Auditor in conjunction with researchers at the University of California at Berkeley, University of Washington, University of Chicago, and Rutgers University. OLS will continually evaluate and use this information to inform our implementation strategies.

h. Other Issues:

List attachments/exhibits below:

Summary Attachment 1 – Step by Step Chart

Summary Attachment 2 – Initiative 1433

Summary Attachment 3 – Labor & Industries – Final Rules for Initiative 1433