



# SEATTLE CITY COUNCIL

## Legislative Summary

CB 118845

Record No.: CB 118845

Type: Ordinance (Ord)

Status: Passed

Version: 1

Ord. no: Ord 125203

In Control: City Clerk

File Created: 09/20/2016

Final Action: 11/28/2016

**Title:** AN ORDINANCE relating to the organization of City government; moving the Office of Labor Standards from a subsidiary unit in the Office for Civil Rights to its own unit in the Executive Department; amending the powers and duties of the Office of Labor Standards; adding Sections 3.15.000, 3.15.002, 3.15.004, 3.15.006, 3.15.008, and 3.15.009 to the Seattle Municipal Code (SMC); amending Sections 6.208.020, 14.16.010, 14.17.010, 14.19.010, 14.20.010, and 14.22.010 of the SMC; renumbering Section 3.14.934 of the SMC as Section 3.15.010; and repealing Section 3.14.945 of the SMC and Sections 3 and 4 of Ordinance 125135.

	<u>Date</u>
<b>Notes:</b>	
	<b>Filed with City Clerk:</b> 11/28/2016
	<b>Mayor's Signature:</b> 11/28/2016
<b>Sponsors:</b> Burgess	
	<b>Vetoed by Mayor:</b>
	<b>Veto Overridden:</b>
	<b>Veto Sustained:</b>

**Attachments:**

**Drafter:** adam.schaefer@seattle.gov

**Filing Requirements/Dept Action:**

**History of Legislative File**

**Legal Notice Published:**  Yes  No

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Mayor	09/26/2016	Mayor's leg transmitted to Council	City Clerk			
1	City Clerk	10/07/2016	sent for review	Council President's Office			
	<b>Action Text:</b> The Council Bill (CB) was sent for review. to the Council President's Office						
	<b>Notes:</b>						
1	Council President's Office	10/20/2016	sent for review	Select Budget Committee			
	<b>Action Text:</b> The Council Bill (CB) was sent for review. to the Select Budget Committee						
	<b>Notes:</b>						

**Legislative Summary Continued (CB 118845)**

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- 1 Full Council 11/07/2016 referred Select Budget Committee
- 1 Select Budget Committee 11/16/2016 pass Pass
- Action Text:** The Committee recommends that Full Council pass the Council Bill (CB).
- Notes:**
- In Favor: 9 Chair Burgess, Member Bagshaw, Member Harrell, Member Herbold, Member Juarez, Member Johnson, Member González , Member O'Brien, Member Sawant
- Opposed: 0
- 1 Full Council 11/21/2016 passed Pass
- Action Text:** The Council Bill (CB) was passed by the following vote, and the President signed the Bill:
- In Favor: 9 Councilmember Bagshaw, Councilmember Burgess, Councilmember González , Council President Harrell, Councilmember Herbold, Councilmember Johnson, Councilmember Juarez, Councilmember O'Brien, Councilmember Sawant
- Opposed: 0
- 1 City Clerk 11/22/2016 submitted for Mayor
- Mayor's signature
- 1 Mayor 11/28/2016 Signed
- 1 Mayor 11/28/2016 returned City Clerk
- Action Text:** The Council Bill (CB) was returned. to the City Clerk
- Notes:**
- 1 City Clerk 11/28/2016 attested by City Clerk
- Action Text:** The Ordinance (Ord) was attested by City Clerk.
- Notes:**
-

**CITY OF SEATTLE**

**ORDINANCE** 125203

**COUNCIL BILL** 118845

AN ORDINANCE relating to the organization of City government; moving the Office of Labor Standards from a subsidiary unit in the Office for Civil Rights to its own unit in the Executive Department; amending the powers and duties of the Office of Labor Standards; adding Sections 3.15.000, 3.15.002, 3.15.004, 3.15.006, 3.15.008, and 3.15.009 to the Seattle Municipal Code (SMC); amending Sections 6.208.020, 14.16.010, 14.17.010, 14.19.010, 14.20.010, and 14.22.010 of the SMC; renumbering Section 3.14.934 of the SMC as Section 3.15.010; and repealing Section 3.14.945 of the SMC and Sections 3 and 4 of Ordinance 125135.

WHEREAS, in 2014, the Mayor and City Council (“Council”) convened a 16-member Labor Standards Advisory Group to offer recommendations for achieving greater compliance with Seattle’s labor standards; and

WHEREAS, the Labor Standards Advisory Group met for almost six months and unanimously recommended the creation of a centralized entity within The City of Seattle to house, implement, and coordinate all aspects of labor standards education, outreach, and enforcement; and

WHEREAS, in 2014, the Council passed Ordinance 124643 creating the Office of Labor Standards within the Office for Civil Rights; and

WHEREAS, the Office of Labor Standards became the third such agency in the country, following the San Francisco Office of Labor Standards Enforcement and the District of Columbia Department of Employment Services; and

WHEREAS, in December 2015, the Council passed the Wage Theft Prevention and Harmonization Ordinance (Ordinance 124960) to enable the Office of Labor Standards to use ground-breaking enforcement methods and impose significant remedies for non-

1 compliance to better protect workers and deter and penalize bad actors, while leveling the  
2 playing field for businesses who are already in compliance; and

3 WHEREAS, the Office of Labor Standards has developed and employed innovative policy,  
4 enforcement, and outreach methods; and national advocacy groups, foundations, and  
5 scholars, such as the Center for Law and Social Policy, National Employment Law  
6 Project, Surdna Foundation, and Associate Professor Janice Fine at the Rutgers  
7 University School of Management and Labor Relations, have heralded the Office of  
8 Labor Standards' leadership and invited staff to national conferences to share strategies  
9 and accomplishments; and

10 WHEREAS, the number of complaints received by the Office of Labor Standards continues to  
11 grow, and the need for additional outreach to both workers and businesses becomes more  
12 apparent; and

13 WHEREAS, in 2015 and through August of 2016, the Office of Labor Standards experienced a  
14 dramatic increase in investigations, opened 332 and closed 192 investigations, found 171  
15 violations, assessed \$341,367 in remedies, added four staff members, and moved into a  
16 temporary new office space to accommodate this growth; and

17 WHEREAS, in 2015, the Office of Labor Standards awarded \$1 million in contracts to ten  
18 community organizations to raise awareness of labor standards rights among low-wage  
19 workers, who disproportionately experience wage violations; and

20 WHEREAS, in 2016, the Office of Labor Standards awarded \$275,000 in contracts with business  
21 organizations to raise awareness of labor standards obligations among businesses owned  
22 by low-income and historically disenfranchised communities, who typically are not  
23 served by traditional outreach methods; and

1 WHEREAS, in April 2016, the Mayor proposed doubling the funding of the Office of Labor  
2 Standards by providing an additional \$3.6 million in the 2017 budget; and

3 WHEREAS, in May 2016, Council passed Resolution 31662, requesting quarterly updates from  
4 the Office of Labor Standards on the development of steps necessary to implement  
5 directed investigations that are not driven by individual complaints but by strategic  
6 enforcement methods that include assessment of data regarding businesses with a high  
7 risk of committing a labor standard violation and high numbers of vulnerable workers;  
8 and

9 WHEREAS, in September 2016 the Council passed a fifth labor standard, Secure Scheduling  
10 (Ordinance 125135); and

11 WHEREAS, a free-standing Office of Labor Standards enables a unified approach to a singular  
12 mission and creates a distinct, recognizable, and consistent presence in local, state, and  
13 national communities; and

14 WHEREAS, all labor standards ordinances, including the Paid Sick and Safe Time (Chapter  
15 14.16), Fair Chance Employment (Chapter 14.17), Minimum Wage (Chapter 14.19),  
16 Wage Theft (14.20), and Secure Scheduling (Chapter 14.22) Ordinances, should reflect  
17 the creation of the Office of Labor Standards as a free-standing office whose Director is  
18 subject to Council authorization; NOW, THEREFORE,

19 **BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

20 Section 1. Section 3.14.945 of the Seattle Municipal Code, enacted by Ordinance 124643,  
21 is repealed:

22 ~~((3.14.945 Office of Labor Standards~~

1 ~~There is established in the Office for Civil Rights an Office of Labor Standards, under the~~  
2 ~~direction of the Mayor. There shall be a Division Director to manage the Office of Labor~~  
3 ~~Standards. The Director of the Office for Civil Rights shall appoint the Division Director subject~~  
4 ~~to the approval of the Mayor. The mission of the Office of Labor Standards is to protect workers'~~  
5 ~~wages, working conditions, and safety and health, and to end barriers to workplace equity for~~  
6 ~~women, communities of color, immigrants and refugees, and other vulnerable workers. The~~  
7 ~~functions of the Office of Labor Standards are as follows:~~

8 ~~A. Promoting labor standards by means of outreach and education and technical~~  
9 ~~assistance and training;~~

10 ~~B. Collecting and analyzing data on the city's work force and workplaces;~~

11 ~~C. Administering and enforcing City of Seattle ordinances relating to minimum wage and~~  
12 ~~minimum compensation (Chapter 14.19), paid sick and safe time (Chapter 14.16), use of~~  
13 ~~criminal history in employment decisions (Chapter 14.17), and wage and tip compensation~~  
14 ~~requirements (Chapter 14.20).))~~

15 Section 2. A new Chapter 3.15, which includes Sections 3.15.000, 3.15.002, 3.15.004,  
16 3.15.006, 3.15.008, and 3.15.009, is added to the Seattle Municipal Code as follows:

17 **Chapter 3.15 EXECUTIVE DEPARTMENT, CONTINUED**

18 **3.15.000 Office of Labor Standards created—Functions**

19 There is created within the Executive Department an Office of Labor Standards, under the  
20 direction of the Mayor. The mission of the Office of Labor Standards is to advance labor  
21 standards through thoughtful community and business engagement, strategic enforcement and  
22 innovative policy development, with a commitment to race and social justice. The Office of  
23 Labor Standards seeks to promote greater economic opportunity and further the health, safety,

1 and welfare of employees; support employers in their implementation of labor standards  
2 requirements; and end barriers to workplace equity for women, communities of color,  
3 immigrants and refugees, and other vulnerable workers.

4 The functions of the Office of Labor Standards are as follows:

5 A. Promoting labor standards through outreach, education, technical assistance, and  
6 training for employees and employers;

7 B. Collecting and analyzing data on labor standards enforcement;

8 C. Partnering with community, businesses, and workers for stakeholder input and  
9 collaboration;

10 D. Developing innovative labor standards policy;

11 E. Administering and enforcing City of Seattle ordinances relating to minimum wage  
12 and minimum compensation (Chapter 14.19), paid sick and safe time (Chapter 14.16), use of  
13 criminal history in employment decisions (Chapter 14.17), wage and tip compensation  
14 requirements (Chapter 14.20), secure scheduling (Chapter 14.22), and other labor standards  
15 ordinances the City may enact in the future.

16 **3.15.002 Director of the Office of Labor Standards—Appointment and removal**

17 The Director of the Office of Labor Standards shall be appointed by the Mayor, subject to  
18 confirmation by a majority vote of all members of the City Council, and may be removed by the  
19 Mayor at any time upon filing a statement of reason therefor with the City Council.

20 **3.15.004 Director of the Office of Labor Standards—Duties**

21 The Director of the Office of Labor Standards shall be the head of the Office of Labor Standards,  
22 shall be responsible for the administration of the Office, and shall:

23 A. Administer and govern the Office of Labor Standards;

1           B.     Appoint, remove, supervise, and control officers and employees in the Office of  
2 Labor Standards in accordance with Civil Service rules and regulations;

3           C.     Undertake enforcement, policy, and education activities consistent with the  
4 mission of the Office of Labor Standards;

5           D.     Provide staff support for the Labor Standards Advisory Commission;

6           E.     Administer all ordinances pertaining to the Office of Labor Standards and take  
7 appropriate remedial action where necessary;

8           F.     Manage the preparation of the proposed annual budget of the Office of Labor  
9 Standards, authorize necessary expenditures, and supervise the maintenance of adequate  
10 accounting systems;

11          G.     After identifying priority issue areas, develop policies and programs, and seek  
12 additional funding sources in those areas that seek to advance the mission of the Office of Labor  
13 Standards;

14          H.     Make periodic reports and recommendations to the Mayor and City Council  
15 concerning the operations of the Office of Labor Standards, including labor standards  
16 enforcement, policy, and outreach and education activities;

17          I.     Partner with City departments to advance the mission of the Office of Labor  
18 Standards for employees of the City, contractors, subcontractors, and the community; and

19          J.     Exercise such other and further powers and duties as shall be prescribed by  
20 ordinance.

21 **3.15.006 Adoption of rules**



1 The Director of the Office of Labor Standards may adopt, promulgate, amend, and rescind rules  
2 and regulations in accordance with Chapter 3.02 as deemed necessary to carry out the functions  
3 of the Department.

4 **3.15.008 Grants and donations—Information and education projects—Account in trust**  
5 **fund**

6 A. The Director of the Office of Labor Standards is authorized from time to time for and  
7 on behalf of The City of Seattle to solicit, apply for, accept and expend donations, grants and  
8 other funds and in-kind services or materials from individuals, corporations and associations,  
9 foundations and nonprofit organizations, other governments, and the public-at-large in order to  
10 produce, provide or disseminate public information and educational or advocacy materials,  
11 projects, or programs on issues relating to the enforcement and administration of the ordinances  
12 that the Office of Labor Standards administers, and to provide an acknowledgement in any of its  
13 publications to those whose assistance enabled its preparation or distribution.

14 B. All donations, grants or other funds received shall be deposited into the "OLS Public  
15 Information and Educational Materials/Projects" Account, which is hereby created, in the  
16 General Donation and Gift Trust Fund. The account shall also be credited with a pro rata share of  
17 the earnings of investment of Fund balances, refunds due on expenditures from the account, and  
18 other payments that the Director and the Director of Finance and Administrative Services  
19 determine to be due. Disbursements shall be made in accordance with Section 3.15.009.

20 **3.15.009 Appropriations and expenditures—OLS Public Information and Educational**  
21 **Materials Account**

22 Effective upon their deposit, the Director of the Office of Labor Standards is authorized to  
23 submit vouchers to the Director of Finance and Administrative Services for expenditure of the

1 funds in the OLS Public Information and Educational Materials/Projects Account established by  
2 Section 3.15.008, as the Director deems appropriate for producing, providing, or disseminating  
3 public information and educational or advocacy materials, projects or programs relating to the  
4 administrative and enforcement duties of the Office of Labor Standards. All necessary  
5 appropriations therefor are hereby made and authorized.

6 Section 3. Section 3.14.934 of the Seattle Municipal Code, last amended by Ordinance  
7 125017 is renumbered 3.15.010 and further amended to read as follows:

8 **3.15.010 Labor Standards Advisory Commission**

9 There is established a Labor Standards Advisory Commission, which shall advise the Office of  
10 Labor Standards, Mayor, City Council, and other City departments with respect to matters  
11 affecting labor standards generally and wages, working conditions, safety, and health of workers  
12 specifically. The Commission will provide input and feedback to the ~~((Division))~~ Director of the  
13 Office of Labor Standards on the implementation of labor standards ordinances. The  
14 Commission will recommend efforts to achieve workplace equity for women, communities of  
15 color, immigrants and refugees, and other vulnerable workers. It will report on an annual basis to  
16 the Mayor and the City Council. ~~((It will report on an annual basis to the Mayor and the City  
17 Council.))~~ Its membership shall be constituted of 15 members, whose positions shall be  
18 numbered one to 15; positions one through seven shall be appointed by the Mayor ~~((;))~~ ,  
19 positions eight through 14 shall be appointed by the City Council ~~((;))~~ , and position 15 shall be  
20 appointed by the Commission as constituted. All appointments shall be subject to confirmation  
21 by a majority vote of the City Council. The initial terms of odd-numbered positions shall be one  
22 year and the initial terms of even-numbered positions shall be two years. All subsequent terms  
23 shall be for two years. Commission members may serve up to two consecutive terms. Any

1 vacancy in an unexpired term shall be filled in the same manner as the original appointment. A  
2 member whose term is ending may continue on an interim basis as a member with voting rights  
3 until such time as a successor for that position has been appointed and confirmed by the City  
4 Council. The appointing authority may remove any member who is absent from two or more  
5 consecutive meetings without cause.

6 The membership shall reflect Seattle's workforce and businesses and include employees,  
7 employers, and representatives from the community with a demonstrated concern and  
8 background in labor standards. The Labor Standards Advisory Commission shall organize itself  
9 and adopt such rules and administrative procedures for its own governance, consistent with City  
10 Charter and ordinances, as are necessary for its functions and responsibilities.

11 Section 4. Subsection 6.208.020.A of the Seattle Municipal Code, which section was  
12 enacted by Ordinance 124963, is amended as follows:

13 **6.208.020 Denial, revocation of, or refusal to renew business license**

14 A. In addition to any other powers and authority provided under this Title 6, the  
15 Director, or the Director's designee, has the power and authority to deny, revoke, or refuse to  
16 renew any business license issued under the provisions of this Chapter 6.208. The Director, or  
17 the Director's designee, shall notify such applicant or licensee in writing by mail of the denial,  
18 revocation of, or refusal to renew ((;)) the license and on what grounds such a decision was  
19 based. The Director may deny, revoke, or refuse to renew any license issued under this  
20 Chapter 6.208 on one or more of the following grounds:

- 21 1. The license was procured by fraud or false representation of fact.
- 22 2. The licensee has failed to comply with any provisions of this Chapter  
23 6.208.

1                   3.       The licensee has failed to comply with any provisions of Chapters 5.32,  
2 5.35, 5.40, 5.45, 5.46, 5.48, 5.50, or 5.52.

3                   4.       The licensee is in default in any payment of any license fee or tax under  
4 Title 5 or Title 6.

5                   5.       The property at which the business is located has been determined by a  
6 court to be a chronic nuisance property as provided in Chapter 10.09.

7                   6.       The applicant or licensee has been convicted of theft under subsection  
8 12A.08.060.A.4 within the last ten years.

9                   7.       The applicant or licensee is a person subject within the last ten years to a  
10 court order entering final judgment for violations of chapters 49.46, 49.48, or 49.52 RCW, or 29  
11 U.S.C. 206 or 29 U.S.C. 207, and the judgment was not satisfied within 30 days of the later of  
12 either:

13                   a.       the expiration of the time for filing an appeal from the final  
14 judgment order under the court rules in effect at the time of the final judgment order; or

15                   b.       if a timely appeal is made, the date of the final resolution of that  
16 appeal and any subsequent appeals resulting in final judicial affirmation of the findings of  
17 violations of chapters 49.46, 49.48, or 49.52 RCW, or 29 U.S.C. 206 or 29 U.S.C. 207.

18                   8.       The applicant or licensee is a person subject within the last ten years to a  
19 final and binding citation and notice of assessment from the Washington Department of Labor  
20 and Industries for violations of chapters 49.46, 49.48, or 49.52 RCW, and the citation amount  
21 and penalties assessed therewith were not satisfied within 30 days of the date the citation became  
22 final and binding.



1 prohibited by Section 14.16.055. “Adverse action” for an employee may involve any aspect of  
2 employment, including pay, work hours, responsibilities, or other material change in the terms  
3 and condition of employment.

4 “Agency” means the Office (~~(for Civil Rights))~~ of Labor Standards and any division  
5 therein.

6 “Aggrieved party” means an employee or other person who suffers tangible or intangible  
7 harm due to an employer or other person’s violation of this Chapter 14.16.

8 “Benefit year” means any fixed, consecutive 12-month period of time that is normally  
9 used by an employer for calculating wages and benefits, including: January 1 through December  
10 31; a tax year, fiscal year, or contract year; or the year running from an employee’s one-year  
11 anniversary date of employment. An employer must provide written notice of the employer’s  
12 choice of benefit year in the employer’s policy and procedure for meeting the paid sick and paid  
13 safe time requirements of this Chapter 14.16, pursuant to subsection 14.16.045.C. If an employer  
14 transitions from one type of benefit year to another, the employer must ensure that the transition  
15 process maintains the accrual, use, and carry-over of paid sick and paid safe time hours that are  
16 required by this Chapter 14.16.

17 “Business” and “engaging in business” (~~(has))~~ have the same meanings as in Chapter  
18 5.30.

19 “City” means (~~(the))~~ The City of Seattle.

20 “City department” means any agency, office, board, or commission of the City, or any  
21 Department employee acting on its behalf, but “City department” does not mean a public  
22 corporation chartered under Ordinance 103387 as amended, or its successor ordinances, or any  
23 contractor, consultant, concessionaire, or lessee.









1 For purposes of this Chapter 14.20:

2 “Adverse action” means denying a job or promotion, demoting, terminating, failing to  
3 rehire after a seasonal interruption of work, threatening, penalizing, retaliating, engaging in  
4 unfair immigration-related practices, filing a false report with a government agency, changing an  
5 employee’s status to a nonemployee, or otherwise discriminating against any person for any  
6 reason prohibited by Section 14.20.035. “Adverse action” for an employee may involve any  
7 aspect of employment, including pay, work hours, responsibilities, or other material change in  
8 the terms and condition of employment;

9 “Agency” means the Office ~~((for Civil Rights))~~ of Labor Standards and any division  
10 therein;

11 “Aggrieved party” means an employee or other person who suffers tangible or intangible  
12 harm due to an employer or other person’s violation of this Chapter 14.20;

13 “City” means ~~((the))~~ The City of Seattle;

14 “Compensation” means payment owed to an employee by reason of employment  
15 including, but not limited to, salaries, wages, tips, overtime, commissions, piece rate, bonuses,  
16 rest breaks, promised or legislatively ~~((-))~~ required paid leave, and reimbursement for employer  
17 expenses. For reimbursement for employer expenses, an employer shall indemnify the employee  
18 for all necessary expenditures or losses incurred by the employee in direct consequence of the  
19 discharge of the employee’s duties, or of the employee’s obedience to the directions of the  
20 employer, even though unlawful, unless the employee, at the time of obeying the directions,  
21 believed them to be unlawful;

22 “Director” means the ~~((Division))~~ Director of the Office of Labor Standards ~~((within the~~  
23 ~~Office for Civil Rights))~~ or the ~~((Division))~~ Director’s designee;

\* \* \*

Section 9. Section 14.22.010 of the Seattle Municipal Code, enacted by Ordinance 125135, is amended as follows:

**14.22.010 Definitions**

For purposes of this Chapter 14.22:

“Adverse action” means denying a job or promotion, demoting, terminating, failing to rehire after a seasonal interruption of employment, threatening, penalizing, engaging in unfair immigration-related practices, filing a false report with a government agency, changing an employee’s status to a nonemployee, or otherwise discriminating against any person for any reason prohibited by Section ~~((14.22.035))~~ 14.22.070. “Adverse action” for an employee may involve any aspect of employment, including pay, work hours, responsibilities, or other material change in the terms and condition of employment.

“Agency” means the Office ~~((for Civil Rights))~~ of Labor Standards and any division therein.

“Aggrieved party” means the employee or other person who suffers tangible or intangible harm due to the employer or other person’s violation of this Chapter 14.22.

“At time of hire” means the period after offer and acceptance of employment, and on or before the commencement of employment.

“Bona fide business reason” means a significant and identifiable burden of additional costs to the employer or a significant detrimental effect on the employer’s ability to meet organizational demands, including:

1. A significant inability of the employer, despite best efforts, to reorganize work among existing employees;

- 1                    2.        A significant detrimental effect on business performance; or  
2                    3.        A significant insufficiency of work during the periods the employee  
3 proposes to work.

4                    “City” means ((the)) The City of Seattle.

5                    “Career-related educational or training program” means:

- 6                    1.        An educational or training program;  
7                    2.        A pre-apprenticeship or apprenticeship program; or  
8                    3.        A program of study offered by a public, private, or nonprofit career and  
9 technical education school, institution of higher education, or other entity that provides academic  
10 education, career and technical education, or training, including but not limited to remedial  
11 education or English as a second language, as appropriate.

12                    “Caregiver” means an employee who has the responsibility of providing:

- 13                    1.        Ongoing care or education, including responsibility for securing the  
14 ongoing care or education of a child;  
15                    2.        Ongoing care, including the responsibility for securing the ongoing care  
16 of:  
17                    a.        An individual with a serious health condition who is in a family  
18 relationship with the employee; or  
19                    b.        A parent of the individual.

20                    “Child” means a biological, adopted, or foster child, a stepchild, a legal ward, or a child  
21 of an individual standing in loco parentis, who is:

- 22                    1.        Under 18 years of age; or



1 Section 11. This ordinance shall take effect on January 1, 2017.

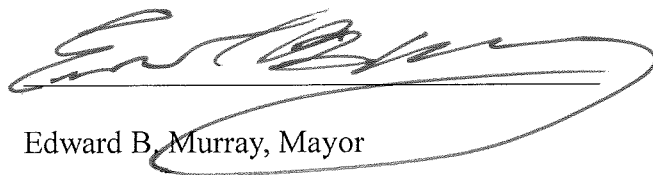
2 Passed by the City Council the 21<sup>st</sup> day of November, 2016,

3 and signed by me in open session in authentication of its passage this 21<sup>st</sup> day of  
4 November, 2016.

5 

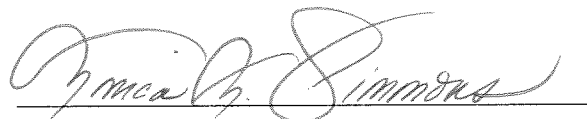
6 President \_\_\_\_\_ of the City Council

7 Approved by me this 26<sup>th</sup> day of November, 2016.

8 

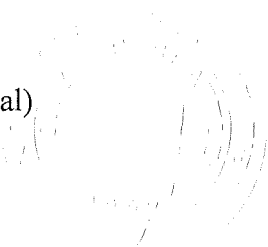
9 Edward B. Murray, Mayor

10 Filed by me this 28<sup>th</sup> day of NOVEMBER, 2016.

11 

12 Monica Martinez Simmons, City Clerk

13 (Seal)



**SUMMARY and FISCAL NOTE\***

<b>Department:</b>	<b>Contact Person/Phone:</b>	<b>Executive Contact/Phone:</b>
Mayor's Office	David Mendoza/386-1256	

*\* 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**

**Legislation Title:** AN ORDINANCE relating to the organization of City government; moving the Office of Labor Standards from a subsidiary unit in the Office for Civil Rights to its own unit in the Executive Department; amending the powers and duties of the Office of Labor Standards; adding Sections 3.15.000, 3.15.002, 3.15.004, 3.15.006, 3.15.008, and 3.15.009 to the Seattle Municipal Code (SMC); amending Sections 6.208.020, 14.16.010, 14.17.010, 14.19.010, 14.20.010, and 14.22.010 of the SMC; renumbering Section 3.14.934 of the SMC as Section 3.15.010; and repealing Section 3.14.945 of the SMC and Sections 3 and 4 of Ordinance [redacted].

**Summary and background of the Legislation:** The Mayor and City Council created the Office of Labor Standards (OLS) as a component office of the Office for Civil Rights (OCR) as part of the 2015 Adopted Budget. In the time since, the Office has taken on more and more responsibilities; experienced a continually growing workload of investigations; added four staff members; and moved into a temporary new office space to accommodate this growth. For the 2017 Budget, the Mayor has proposed doubling funding. OLS is preparing to implement a fifth labor standards ordinance (i.e. secure scheduling) and expects other labor standards to soon follow (e.g. hotel worker initiative and paid family leave). It is now clear that it should be a free-standing office whose Director is subject to Council authorization.

**2. CAPITAL IMPROVEMENT PROGRAM**

This legislation creates, funds, or amends a CIP Project.

**3. SUMMARY OF FINANCIAL IMPLICATIONS**

This legislation does not have direct financial implications.

The transfer of Budget Control Levels and employees from OCR to an independent OLS will occur with the passage of the 2017 Budget Adoption Ordinance.

**4. OTHER IMPLICATIONS**

- a) **Does the legislation have indirect or long-term financial impacts to the City of Seattle that are not reflected in the above?**  
No.

**b) Is there financial cost or other impacts of not implementing the legislation?**

No.

**c) Does this legislation affect any departments besides the originating department?**

This legislation will impact the organization and reporting structure for OCR and OLS.

**d) Is a public hearing required for this legislation?**

No.

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

No.

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

No.

**g) Does this legislation affect a piece of property?**

No.

**h) 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 legislation will advance RSJI principles and positively impact vulnerable or historically disadvantaged communities by increasing the capacity of the Office of Labor Standards to develop and direct innovative and collaborative programs to achieve compliance with labor standards ordinances. While all Seattle workers will benefit from implementation of labor standards that protect wages and promote workplace equity, 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.

**i) If this legislation includes a new initiative or a major programmatic expansion: What are the long-term and measurable goals of the program? Please describe how this legislation would help achieve the program's desired goals.**

The long-term and measurable goals of the work of the Office of Labor Standards promote workplace equity for all Seattle workers, with a particular focus on vulnerable or historically disadvantaged workers.

OLS works toward these goals by educating workers and business about critical labor standards requirements; identifying and resolving labor violations in a timely manner that recovers money owed to workers, penalizes bad actor businesses, and equipping all businesses with the necessary tools to achieve compliance in the future.

OLS measures progress toward these goals by creating internal data collection systems



and tracking enforcement and outreach outcomes. OLS publicly shares this information through monthly reports to the Mayor on the amount of technical assistance provided to employers and the percentage of money collected for violations. OLS's goal is to collect 90% of money assessed for violations; this is an important measure of success since research shows that other labor standards agencies encounter significant obstacles with collections, sometimes collecting less than 50% of the amount assessed for workers. OLS also closely monitors the contracts with community and business organizations, maintaining a close relationship that strengthens our relationships, deepens the impact of these funds, and builds trust in the community.

For the large scale impacts of work, OLS consults federal, state and local data sources (e.g. American Community Survey, Bureau of Labor Statistics, Puget Sound Regional Council).

This legislation will help reach the desired goals by granting more independence to the Office to employ innovative practices and to create a distinct, recognizable and consistent presence in local, state and national communities.

**j) Other Issues:**

**List attachments/exhibits below:**