

**SUMMARY and FISCAL NOTE\***

<b>Department:</b>	<b>Dept. Contact/Phone:</b>	<b>CBO Contact/Phone:</b>
Legislative – CM Mosqueda	Patricia Lee 386-0078 Sejal Parikh 233-7801	Melissa Lawrie 684-5805 Catherine Cornwall 684-8725

*\* 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**

1. **Legislation Title:** AN ORDINANCE relating to employment in Seattle; establishing labor standards for domestic workers; establishing a Domestic Workers Standards Board; prescribing remedies and enforcement procedures; amending Section 6.208.020 of the Seattle Municipal Code; and adding a new Chapter 14.23 to the Seattle Municipal Code.
2. **Summary and background of the Legislation:** This legislation requires the Domestic Workers Standards Board to convene in the first quarter of 2019. The other provisions of the ordinance take effect on July 1, 2019. The legislation has two primary components:
  - a. It establishes labor standards for domestic workers:
    - i. Hiring entities shall pay domestic workers wages that are at least equivalent to the minimum hourly wage;
    - ii. No domestic worker shall be required to work more than five consecutive hours for the same hiring entity without a 30-minute uninterrupted meal period, and domestic workers shall be allowed a paid 10-minute uninterrupted rest break for each four consecutive hours of work for the same hiring entity. If the domestic worker's work responsibilities make it impossible or infeasible to take a meal period or rest break, the hiring entity shall provide additional compensation for the missed meal period or rest break.
    - iii. No domestic worker who resides or sleeps at a place of employment shall be required to work more than six consecutive days for the same hiring entity without an unpaid 24-hour period of consecutive rest, pursuant to rules issued by the Office of Labor Standards (OLS) Director
    - iv. A hiring entity shall not take any domestic worker's documents or other personal effects.
    - v. OLS shall make available a model notice of rights and pay information in English, Spanish and other languages. The written notice shall include an explanation of the domestic workers rights afforded by Chapter 14.23 and include space for the hiring entity to state the established pay for the provision of domestic services.

The legislation provides authority to the Office of Labor Standards (OLS) to provide outreach and enforcement related to the new labor standards.

- b. It establishes a Domestic Workers Standards Board and outlines responsibilities of the Board and to develop a work plan and recommendations. OLS is directed to

“provide staff and logistical support, including but not limited to translation, outreach, and travel expenses, and work with the Board to determine appropriate support for the Board members and their activities.”

## 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

If there are no changes to appropriations, revenues, or positions, please delete the table below.

<b>Budget program(s) affected:</b>				
<b>Appropriation change (\$):</b>	<b>General Fund \$</b>		<b>Other \$</b>	
	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>
<b>Estimated Revenue change (\$):</b>	<b>Revenue to General Fund</b>		<b>Revenue to Other Funds</b>	
	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>
<b>Positions affected:</b>	<b>No. of Positions</b>		<b>Total FTE Change</b>	
	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>

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?

If so, describe the nature of the impacts. This could include increased operating and maintenance costs, for example.

Yes – The legislation creates four new labor standards and a Domestic Workers Standards Board to develop additional recommendations for the City to implement. The legislation provides authority to the Office of Labor Standards (OLS) to provide outreach and enforcement related to the new labor standards. The legislation requires OLS to provide staff and logistical support (translation, outreach, travel expenses, etc.), as well as support the Board/Board members in their activities.

The City Budget Office has indicated OLS’ existing base budget appropriations and staffing levels are insufficient to do the work outlined in the legislation. CBO believes that OLS will need new ongoing annual appropriations to support up to four new positions.

Based on Council’s expectations and understanding, OLS would need new ongoing annual appropriations for one new position.

In that the data and assumptions have yet to be fully vetted by either the Central Staff or the CBO, the fiscal impact issues, such as those listed below, will need to be resolved

during the City's budget deliberations. Council suggests any necessary resources for implementing the Domestic Workers legislation and supporting the Standards Board be reflected in the 2019 Adopted Budget.

Questions yet to be explored:

1. What is the Board likely to recommend, and how does that translate into staffing impacts/costs?
2. What is OLS's detailed proposal for additional costs to provide outreach, education, or enforcement related to this bill?
3. What is the staffing title for each of the anticipated job functions?
4. How will the Office of Civil Rights be impacted? Will there be a need for additional civil rights investigators?
5. How did CBO/OLS determine that OLS is unable to absorb these new duties?
6. What one-time cost implications are there should new staffing be added to OLS or OCR (e.g., additional office space, equipment, specialized training, material printing, etc.)?

**c. Is there financial cost or other impacts of *not* implementing the legislation?**

Estimate the costs to the City of not implementing the legislation, including estimated costs to maintain or expand an existing facility or the cost avoidance due to replacement of an existing facility, potential conflicts with regulatory requirements, or other potential costs or consequences.

There are no financial costs to the City of not implementing the legislation.

If there are no changes to appropriations, revenues, or positions, please delete sections 3.d., 3.e., and 3.f. and answer the questions in Section 4.

### 3.d. Appropriations

**This legislation adds, changes, or deletes appropriations.**

If this box is checked, please complete this section. If this box is not checked, please proceed to Revenues/Reimbursements.

Fund Name and number	Dept	Budget Control Level Name/##*	2018 Appropriation Change	2019 Estimated Appropriation Change
<b>TOTAL</b>				

*\*See budget book to obtain the appropriate Budget Control Level for your department.*

This table should reflect appropriations that are a direct result of this legislation. In the event that the project/programs associated with this ordinance had, or will have, appropriations in other legislation please provide details in the Appropriation Notes section below. If the appropriation is not completely supported by revenue/reimbursements listed below, please identify the funding source (e.g. available fund balance) to cover this appropriation in the notes section. Also indicate if the legislation changes appropriations one-time, ongoing, or both.

**Is this change one-time or ongoing?**

Please explain any complicated scenarios – e.g. three-year funding agreement but not permanent ongoing.

N/A.

**Appropriations Notes:**

- **Non-labor**– The ordinance indicates that OLS will provide services to include translation, interpretation, and travel expenses. The Council will determine in the 2019

Adopted Budget what level of additional appropriations it wants to make for such needs. Council will also determine in the 2019 Adopted Budget whether to increase OLS appropriations for community-based outreach contracts through OLS; Council anticipates adding approximately \$50,000 for this purpose.

### 3.e. Revenues/Reimbursements

☐ **This legislation adds, changes, or deletes revenues or reimbursements.**

If this box is checked, please complete this section. If this box is not checked, please proceed to Positions.

We do not expect any revenue or reimbursements resulting from this legislation.

### 3.f. Positions

☐ **This legislation adds, changes, or deletes positions.**

If this box is checked, please complete this section. If this box is not checked, please proceed to Other Implications.

**Total Regular Positions Created, Modified, or Abrogated through this Legislation, Including FTE Impact:**


\* List each position separately

This table should only reflect the actual number of positions created by this legislation. In the event that positions have been, or will be, created as a result of previous or future legislation or budget actions, please provide details in the Notes section below.

Position Notes:

### 4. OTHER IMPLICATIONS

- a. **Does this legislation affect any departments besides the originating department?**  
The Office of Labor Standards and Office of Civil Rights will implement this ordinance.
- 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?**

Domestic workers include nannies, housecleaners, home care workers and gardeners. The Seattle Domestic Worker Alliance (SDWA) estimates, based on Bureau of Labor Statistics, the American Community Survey and information from their labor and community networks, that there are at least 30,000 domestic workers in Seattle. Domestic workers are primarily women, immigrants and people of color working predominately in private homes isolated from other workers. In their survey of 174 domestic workers, the SDWA found wages varied along lines of race, education, language and nationality. In SDWA's survey, public testimony to the City Council, and listening sessions conducted by Councilmember Mosqueda - domestic workers addressed the challenges they face in their work environment. Although many domestic workers are covered by Federal, State and local labor laws they are mostly unaware of their rights, how to assert their rights, and fearful of retaliation or loss of employment if they speak out. Many hiring entities also do not know what their legal responsibilities are in hiring a domestic worker or where to access that information.

**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).**

This legislation will be the seventh local labor law that OLS will provide education and outreach on and implement and enforce. OLS currently has a staff of 23 FTEs and contracts with community-based organizations for outreach and education to both workers and businesses. The same metrics OLS uses for other local labor laws should apply here (e.g., number of inquiries, number of complaints, case completion time). The Seattle Office for Civil Rights (OCR) administers the City's laws against discrimination including sexual harassment.

Education, outreach and enforcement will be key to the effectiveness of providing hiring entities with information on their responsibilities, domestic workers on their rights and compliance with required legal protections and benefits.

This legislation establishes a Domestic Workers Standards Board. (Board). The Board will be comprised of domestic workers, worker organizations and hiring entities. The Board provides OLS and SOCR with contacts in and access to the affected parties to help develop effective education and enforcement strategies.

The Board will provide a forum to consider, analyze, do outreach to and receive

information from affected workers and hiring entities on legal protections, benefits and working conditions for domestic workers. The Board will make recommendations to the City on a schedule developed with the City.

**List attachments/exhibits below:**