

#2

Bruce Harrell/pml/de
RES
May 29, 2014
Version #5

CITY OF SEATTLE
RESOLUTION 31524

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

A RESOLUTION requesting that the Department of Finance and Administrative Services work with the City Council and other appropriate City departments and stakeholders to strengthen implementation of any local minimum wage ordinance.

WHEREAS, across the nation, low-wage workers have stepped forward to highlight their struggle to support themselves and their families; and

WHEREAS, Seattle workers and their advocates are leading the national dialogue about economic justice and the role of government in ensuring our communities have true opportunities for advancement out of poverty; and

WHEREAS, once an individual begins working, it can be difficult to go back to school or to start building the skills that will lead to additional, higher paid employment opportunities; and

WHEREAS, under the leadership of Mayor Ed Murray, an Income Inequality Advisory Committee (IIAC) was formed and charged with delivering a set of recommendations for increasing the minimum wage in Seattle, recognizing that Seattle businesses are of a diverse size and nature and operate under many different business models; and

WHEREAS, IIAC consisted of representatives from Seattle's employer, labor, and non-profit communities; and

WHEREAS, the City Council established a Select Committee on Minimum Wage and Income Inequality (MWII Committee) composed of all nine Councilmembers; and

WHEREAS, the IIAC and MWII Committee have conducted extensive outreach with employees and employers through public hearings, small stakeholder group meetings, and individual meetings with Councilmembers; and

WHEREAS, Seattle plans to join nine other local jurisdictions that have chosen to enact a local minimum wage; and

WHEREAS, the minimum wage policy goals must include support for the growth of all small businesses and recognition that smaller businesses face unique challenges in implementing a higher minimum wage; and

WHEREAS, in order to be effective a local minimum wage must be understood by both employees and employers; and

1 WHEREAS, Seattle invests significantly in worker training and support intended to boost the
2 chances low-skilled, low experience workers will get a job and, ultimately, a career; and

3 WHEREAS, the City has convened an advisory committee to consider ways the City can
4 increase compliance with and strengthen the enforcement of City labor standards;

5 **NOW, THEREFORE,**

6 **BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE, THE**
7 **MAYOR CONCURRING, THAT:**

8
9 **Section 1.** In order to strengthen the implementation of the local minimum wage ordinance and
10 consider supplementing its provisions, Council requests the following:

- 11
12 **1. Multilingual Mobile Application.** The Council requests that the Department of Finance,
13 Information Technology and other appropriate City departments develop and implement
14 a multilingual mobile application that will allow employees to: 1) determine the
15 minimum wage and minimum compensation they are entitled to be paid each year, and
16 the amount of health care benefits or tips that may be counted as part of the required
17 minimum compensation; and 2) allow employees to file a wage-theft inquiry or
18 complaint directly with the City on the mobile application. Work on the mobile
19 application should begin immediately after passage of a local minimum wage act. A
20 progress report to Council should be submitted no later than September 8, 2014.
- 21 **2. Multilingual Website.** The Council requests that the Department of Finance, Information
22 Technology and other appropriate City departments develop and implement a multi-
23 lingual user-friendly website where employers can: 1) determine the minimum wage and
24 minimum compensation they are required to pay their employees each year, and the
25 amount of health care benefits or tips that may be counted as part of the required
26

1 minimum compensation; and 2) determine all applicable employer requirements under
2 the ordinance. Work on the website should begin immediately after passage of a local
3 minimum wage act. A progress report to Council should be submitted no later than
4 September 8, 2014.

5 **3. Evaluation of the Local Minimum Wage Ordinance on Businesses and Employment.**

6 Council requests that the City Auditor contract with academic researchers who have a
7 proven track record of rigorous analysis of the impacts of minimum wage laws to conduct
8 an evaluation of the economic impacts of the local minimum wage in 2017 and 2019,
9 after two and four years of implementation. The evaluation should include an assessment
10 of the impact of the legislation on: employment among different classes of workers; rates
11 of business openings and closures; prices; business profits; compliance rates; whether
12 other worker benefits have reduced or remained unaffected; consumer spending; worker
13 turnover and productivity; demand for state and local public assistance; purchasing power
14 of employees covered by the law; gender and racial income disparities; and the economic
15 security of immigrant and refugee workers. The evaluation may require baseline data
16 collection in 2015. The review should pay particular attention to the experiences of
17 immigrant-owned businesses and small manufacturers, employer groups that have argued
18 that minimum wage change in Seattle will affect them differently from other businesses.
19 The review should include analysis of the available empirical data sets, such as from the
20 United States Bureau of Labor Statistics or Washington State Labor & Industries, and
21 interviews with employers and employees and other stakeholders when appropriate. The
22 Council will consider the funding of this evaluation as part of the 2015 budget process.

23 **4. Support for Education and Career Ladders.** Council requests that the Department of
24 Finance and Administrative Services work with the City Council, and other appropriate
25 City departments to establish an interdepartmental team (IDT) of City staff to determine
26 ways the City can: 1) assist low wage workers with the identification of pathways,
27

1 opportunities and financial aid to continue their education and skill training in ways that
2 can broaden their employment opportunities; and 2) explore mechanisms to assist
3 employers who support their employees through continuing education and job skills
4 training. The options the IDT should explore include expanding the definition of
5 minimum compensation to include credit for employer assistance in employee classes,
6 and vocational training. A workplan and anticipated schedule for this review and
7 evaluation should be submitted to the Mayor and Council no later than September 8,
8 2014.

9 **5. Minimum Wage Commission:** Council recommends the City establish a Minimum
10 Wage Commission (MWC) consisting of 15 members that will remain in existence for 5
11 years after the effective date of this ordinance. . The MWC shall be appointed by the
12 Mayor and Council, subject to confirmation by a majority vote of all members of the City
13 Council. The Commission shall have balanced representation of one-third labor, one-third
14 business, and one-third community representatives. Representation on the committee
15 should be diverse, including but not limited to ethnic minority owned businesses, women
16 owned businesses, low wage workers, representatives of immigrant and refugee
17 communities, and labor and business representatives from a variety of industries. It is
18 anticipated that the MWC will create an important opportunity for the community to
19 review the implementation of the new Local Minimum Wage Law. Subsequent
20 legislation will be required to create the MWC and establish functions and prescribe
21 duties.

22
23 **6. City Employees and Contractors.** Council requests that the Executive return with a
24 plan for how the City will meet its obligations under the new minimum wage schedule.
25 This plan should indicate how the City's own low-wage employees will advance and any
26 steps required to meet revised wage obligations. The plan should also address steps the
27

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

City should take to ensure human services providers and others with City contracts will be able to meet policy and service objectives while also meeting the new wage schedules.

Adopted by the City Council the ____ day of _____, 2014, and signed by me in open session in authentication of its adoption this ____ day of _____, 2014.

President _____ of the City Council

THE MAYOR CONCURRING:

Edward B. Murray, Mayor

Filed by me this ____ day of _____, 2014.

Monica Martinez Simmons, City Clerk

(Seal)

FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	CBO Analyst/Phone:
LEG	Patricia Lee 386-0078	

Legislation Title:

A RESOLUTION requesting that the Department of Finance and Administrative Services work with the City Council and other appropriate City departments and stakeholders to strengthen implementation of any local minimum wage ordinance.

Summary of the Legislation:

The resolution strengthens the implementation of the local minimum wage ordinance and considers supplementing its provisions by establishing a multilingual mobile application, a multilingual website, an evaluation and review of the ordinance on the economic impacts to businesses and workers, and an interdepartmental team to identify opportunities and skill development pathways that can lead to additional employment opportunities for low wage workers and identify ways the city can support employers who support their employees continuing education and job skills training including expanding the definition of minimum compensation to include credit for employer assistance in employee classes and vocational training, and establishing a Minimum Wage Commission.

Background:

Seattle workers and their advocates are leading the national dialogue about economic justice and the role of government in ensuring our communities have true opportunities for advancement out of poverty. Under the leadership of Mayor Ed Murray, an Income Inequality Advisory Committee (IIAC) was formed and charged with delivering a set of recommendations for increasing the minimum wage in Seattle. This resolution supplements the minimum wage ordinance and strengthens implementation.

X This legislation does not have any financial implications.

(Please skip to "Other Implications" section at the end of the document and answer questions a-h. Earlier sections that are left blank should be deleted. Please delete the instructions provided in parentheses at the end of each question.)

Other Implications:

- a) **Does the legislation have indirect financial implications, or long-term implications?**
Yes, the Council will consider the funding of an evaluation on the local minimum wage ordinance on business and employment as part of the 2015 budget process. Council will consider costs associated with the development of the multilingual mobile application and multilingual website.



- b) **What is the financial cost of not implementing the legislation?**
The Resolution does not have a direct financial cost.
- c) **Does this legislation affect any departments besides the originating department?**
The resolution directly affects Department of Finance and Administrative Services, Information Technology, and the Office of City Auditor.
- d) **What are the possible alternatives to the legislation that could achieve the same or similar objectives?**
None.
- e) **Is a public hearing required for this legislation?**
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) **Other Issues:** None.

List attachments to the fiscal note below: None.

