

# Office of Labor Standards

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## Department Overview

The mission of the Office of Labor Standards (OLS) is to advance labor standards through thoughtful community and business engagement, strategic enforcement, and innovative policy development, with a commitment to race and social justice. The Office of Labor Standards focuses on the implementation of labor standards for workers that perform work within Seattle city limits. As of January 1, 2025, there are 19 such standards, established through City ordinances:

- **Paid Sick and Safe Time Ordinance** requires employers with one or more full-time equivalent employees to provide paid sick and safe time;
- **Fair Chance Employment Ordinance** restricts how employers can use conviction and arrest records during the hiring process and course of employment;
- **Minimum Wage Ordinance** establishes a minimum hourly wage that increases each year based on rates set by ordinance and adjusted for the rate of inflation;
- **Wage Theft Ordinance** requires employers to provide written notice of employment information and pay all compensation due by reason of employment (including wages and tips) on a regular pay day;
- **Secure Scheduling Ordinance** establishes scheduling requirements for covered retail and food service establishments to provide schedule predictability and increased access to hours;
- **Domestic Workers Ordinance** provides protections for domestic workers and establishes a Domestic Workers Standards Board; and
- **Commuter Benefits Ordinance** requires employers to provide commuter benefits on a pre-tax basis.
- **Independent Contractor Protections Ordinance** requires commercial hiring entities to provide certain pre-contract disclosures, payment disclosures, and requiring timely payment of contracts.
- **Cannabis Employee Job Retention Ordinance** requires certain employers to take certain actions to reduce job insecurity in the cannabis industry.

Four ordinances protect the rights of hotel workers:

- **Hotel Employee Safety Protections Ordinance** requires employers to take certain steps to prevent and report violent and harassing conduct by guests and to support employees who report this conduct;
- **The Protecting Hotel Employees from Injury Ordinance** limits the workload of employees who clean hotel rooms to reduce the frequency and occurrence of injuries associated with room cleaning;
- **The Improving Access to Medical Care for Hotel Employees Ordinance** requires employers to provide employees working in large hotels with increased access to medical care; and
- **The Hotel Employees Job Retention Ordinance** requires employers to take certain actions to reduce job insecurity in the hospitality industry.

Three ordinances protect the rights of app-based workers:

- **App-Based Worker Paid Sick and Safe Time Ordinance** establishes paid sick and safe time protections for certain app-based workers.
- **App-Based Worker Minimum Payment Ordinance** establishing minimum pay requirements, and transparency and flexibility standards for certain app-based workers.
- **App-Based Worker Deactivation Rights Ordinances** establishes protections against certain deactivations from the platforms of covered companies, among other rights.

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OLS is also responsible for the administration of three additional temporary ordinances that grant protections to certain workers during the COVID-19 civil emergency. These three laws are enforceable until late 2025:

- **Paid Sick and Safe Time for Gig Workers**, requiring covered transportation network and food delivery network companies to provide paid sick and safe time to gig workers during, and for 180 days following the conclusion of, the COVID-19 civil emergency.
- **Premium Pay for Gig Workers**, requiring covered food delivery network companies to provide premium pay to gig workers.
- **Grocery Employee Hazard Pay**, requiring certain grocery businesses to pay hazard pay to employees during the civil emergency.

OLS provides education and technical assistance to the business and worker communities. As a part of these efforts, OLS manages the **Community Outreach and Education Fund** to foster collaboration between OLS and the community with funds to develop awareness and understanding of the worker rights provided by Seattle's labor standards. The office also manages the **Business Outreach and Education Fund** which provides technical assistance to small businesses to increase compliance with Seattle's labor standards. The fund emphasizes outreach to businesses owned by low-income and historically disenfranchised communities who typically are not served by traditional outreach methods.

### Budget Snapshot

	2023 Actuals	2024 Adopted	2025 Adopted	2026 Endorsed
<b>Department Support</b>				
Other Funding - Operating	8,805,801	9,041,478	8,524,784	8,846,777
<b>Total Operations</b>	<b>8,805,801</b>	<b>9,041,478</b>	<b>8,524,784</b>	<b>8,846,777</b>
<b>Total Appropriations</b>	<b>8,805,801</b>	<b>9,041,478</b>	<b>8,524,784</b>	<b>8,846,777</b>
 Full-Time Equivalent Total*	 36.00	 43.00	 43.00	 43.00

\* FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Human Resources Director actions outside of the budget process may not be detailed here

### Budget Overview

The City's 2025 Adopted and 2026 Endorsed budgets maintain core services for the Office of Labor Standards (OLS) at a reduced scale to realign with available resources. OLS will continue to promote labor standards through outreach, education, and technical assistance. OLS will continue to collect and analyze data on labor standards enforcement, develop labor standards policies, and administer and enforce the City of Seattle labor ordinances.

The General Fund revenue forecast for the City's 2025 Adopted and 2026 Endorsed budgets is insufficient to cover all anticipated Citywide costs. General Fund reductions were identified to mitigate this shortfall. To preserve critical City services due to the General Fund deficit, budget adjustments were made to OLS. The Business Outreach and Education Fund will be funded with \$500,000 after a reduction of \$100,000. The Community Outreach and Education Fund will be fully funded at \$1,500,000 in 2025 and will receive \$1,000,000 in 2026 after a \$500,000 reduction. The enforcement team and outreach team will receive a reduction of 3 positions. The general operating

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expenses for communications and outreach activities will receive \$152,000 after reductions of \$216,000. These reductions will realign the OLS budget with available resources for the 2025 Adopted and 2026 Endorsed budgets.

Lastly, the 2025 Adopted and 2026 Endorsed budgets make several technical adjustments to the OLS budget including an annual wage increase for staff, increased costs for internal central services, and the removal of one-time items from the previous year's budget.

### **City Council Changes to the Proposed Budget**

The City Council restored the reduction of appropriation to the Business Outreach and Education Fund and the Community Outreach and Education Fund. The City Council also restored the position authority of the 3 FTE that were proposed to be eliminated, while continuing to remove funding for the positions.

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### Incremental Budget Changes

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	Dollars	FTE
<b>2024 Adopted Budget</b>	<b>9,041,478</b>	<b>43.00</b>
<b>Baseline</b>		
Bargained Annual Wage and Market Wage Increases to Base Budget	694,934	-
Citywide Adjustments for Standard Cost Changes	192,528	-
Reversal of one-time adds	(625,000)	-
<b>Proposed Operating</b>		
Remove Planning & Development Specialist Position	(155,627)	(1.00)
Remove Strategic Advisor Position	(184,703)	(1.00)
Remove Civil Rights Analyst Position	(158,958)	(1.00)
Defund Civil Rights Analyst Position	(125,154)	-
Restoration of General Operating Expense Reduction	87,810	-
Reduce General Operating Expense Budget	(215,810)	-
Reduction to Business Outreach and Education Fund	(100,000)	-
Reduction to Community Outreach and Education Fund, On-going	-	-
Reduce Community Outreach and Education Fund, One-Time	-	-
<b>Proposed Technical</b>		
Final Adjustments for Standard Cost Changes	(26,714)	-
<b>Council</b>		
Increase OLS for the Business Outreach and Education Fund and Community Outreach and Education Fund	100,000	-
Increase OLS by 3.0 FTE to restore position authority	-	3.00
<b>Total Incremental Changes</b>	<b>\$(516,694)</b>	<b>-</b>
<b>Total 2025 Adopted Budget</b>	<b>\$8,524,784</b>	<b>43.00</b>

### Description of Incremental Budget Changes

#### Baseline

#### **Bargained Annual Wage and Market Wage Increases to Base Budget**

Expenditures \$694,934

This centrally administered change adjusts appropriations to reflect the Annual Wage Increases and Market Adjustments, as outlined in the agreements between the City and the Coalition of Unions or other standalone Unions, for personnel costs included in this department's baseline budget. This includes increases to salary, FICA, Medicare, retirement, overtime and temporary labor.

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## Citywide Adjustments for Standard Cost Changes

Expenditures \$192,528

Citywide technical adjustments made in the baseline phase reflect changes to internal services costs, including rates from the Department of Finance & Administrative Services, Seattle Information Technology Department, Seattle Department of Human Resources, and for healthcare, retirement, and industrial insurance charges for the department. These adjustments reflect initial assumptions about these costs and inflators early in the budget process.

## Reversal of one-time adds

Expenditures \$(625,000)

This item reverses \$600,000 in Payroll Expense Tax funding for the App-Based Deactivation Rights Ordinance (\$500,000) and Domestic Worker Standards Board (\$100,000). This item also reverses \$25,000 in General Fund support for set-up costs for the App-Based Worker Minimum Payment Ordinance in 2023.

## Proposed Operating

### Remove Planning & Development Specialist Position

Expenditures \$(155,627)

Position Allocation (1.00)

The Council altered this proposal in the Adopted Budget. Refer to the Council Phase Changes section below. The Proposed Budget description follows:

The General Fund revenue forecast for the City's 2025-2026 Proposed Budget is insufficient to cover all anticipated Citywide costs. General Fund reductions were identified to mitigate this shortfall. This item removes a vacant, full-time Planning & Development Specialist II (Labor Standards Engagement Specialist) position to realign with available resources. The position is responsible for direct outreach and education on the City's 19 labor standards as well as oversight of some of the Department's Business Outreach and Education Fund and Community Outreach and Education Fund contracts. Four Labor Standards Engagement Specialists will remain in OLS to continue this work.

### Remove Strategic Advisor Position

Expenditures \$(184,703)

Position Allocation (1.00)

The Council altered this proposal in the Adopted Budget. Refer to the Council Phase Changes section below. The Proposed Budget description follows:

The General Fund revenue forecast for the City's 2025-2026 Proposed Budget is insufficient to cover all anticipated Citywide costs. General Fund reductions were identified to mitigate this shortfall. This item removes a vacant, full-time Strategic Advisor position to realign with available resources. This position is responsible for providing a variety of data collection, cleaning, and analysis functions for the Office of Labor Standards, specifically for App-Based Worker positions. OLS will reprioritize workloads to address the critical data analysis work and will defer the other expanded work this position would have completed for app-based worker laws.

### Remove Civil Rights Analyst Position

Expenditures \$(158,958)

Position Allocation (1.00)

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The Council altered this proposal in the Adopted Budget. Refer to the Council Phase Changes section below. The Proposed Budget description follows:

The General Fund revenue forecast for the City's 2025-2026 Proposed Budget is insufficient to cover all anticipated Citywide costs. General Fund reductions were identified to mitigate this shortfall. This item removes a vacant, full-time Civil Rights Analyst (Investigator) position to realign with available resources. This position is responsible for conducting labor standards investigating and resolving complaints of violations of labor standards. After the first quarter of 2025, nine investigators will remain in OLS to continue the work of investigations.

### Defund Civil Rights Analyst Position

Expenditures \$(125,154)

The General Fund revenue forecast for the City's 2025 Adopted and 2026 Endorsed budgets is insufficient to cover all anticipated Citywide costs. General Fund reductions were identified to mitigate this shortfall. This item defunds a Civil Rights Analyst (Investigator) position. OLS will maintain funding for quarter 1 of 2025 and then this position will be unfunded. This position is responsible for conducting investigations and resolving complaints of violations of labor standards. After the first quarter of 2025, nine investigators will remain in OLS to continue the work of investigations.

### Restoration of General Operating Expense Reduction

Expenditures \$87,810

This item restores ongoing funding beginning in 2025 for OLS' operating expense appropriation that was reduced in FY 2023 for only the 2023 and 2024 Adopted Budgets.

### Reduce General Operating Expense Budget

Expenditures \$(215,810)

The General Fund revenue forecast for the City's 2025 Adopted and 2026 Endorsed budgets is insufficient to cover all anticipated Citywide costs. General Fund reductions were identified to mitigate this shortfall. This item reduces OLS' general operating expense appropriation by \$215,810 in the 2025 Adopted and 2026 Endorsed budgets to realign with available resources. This reduction will result in fewer investments in outreach, communication, and enforcement and OLS will shift to lower-cost and no-cost activities. The budget maintains \$152k for general operating expenses after the reduction.

### Reduction to Business Outreach and Education Fund

Expenditures \$(100,000)

The Council altered this proposal in the Adopted Budget. Refer to the Council Phase Changes section below. The Proposed Budget description follows:

The General Fund revenue forecast for the City's 2025-2026 Proposed Budget is insufficient to cover all anticipated Citywide costs. General Fund reductions were identified to mitigate this shortfall. This item reduces the Business Outreach and Education Fund (BOEF) by \$100,000 to realign with available resources. OLS will continue to administer the BOEF with smaller awards or less contracts. The total amount budgeted for the Business Outreach and Education Fund is \$500,000.

### Reduction to Community Outreach and Education Fund, On-going

Expenditures -

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The Council altered this proposal in the Adopted Budget. Refer to the Council Phase Changes section below. The Proposed Budget description follows:

The General Fund revenue forecast for the City's 2025-2026 Proposed Budget is insufficient to cover all anticipated Citywide costs. General Fund reductions were identified to mitigate this shortfall. This item reduces the Community Outreach and Education Fund (COEF) by \$250,000 on-going starting in 2026 to realign with available resources. The COEF is reduced in 2026 instead of both 2025 and 2026, to avoid service disruptions in contracts that have already been awarded for 2025. To realize the savings needed through the biennium, OLS will see a larger decrease in 2026 with an on-going \$250,000 reduction starting in 2026, and a separate budget item for a one-time \$250,000 reduction starting in 2026. OLS will continue to administer the COEF with smaller awards or less contracts. The total amount budgeted for the Community Outreach and Education Fund is \$1,500,000 in 2025 and \$1,000,000 in 2026.

### Reduce Community Outreach and Education Fund, One-Time

Expenditures -

The Council altered this proposal in the Adopted Budget. Refer to the Council Phase Changes section below. The Proposed Budget description follows:

The General Fund revenue forecast for the City's 2025-2026 Proposed Budget is insufficient to cover all anticipated Citywide costs. General Fund reductions were identified to mitigate this shortfall. This item reduces the Community Outreach and Education Fund (COEF) by \$250,000 on-going starting in 2026 to realign with available resources. The COEF is reduced in 2026 instead of both 2025 and 2026, to avoid service disruptions in contracts that have already been awarded for 2025. To realize the savings needed through the biennium, OLS will see a larger decrease in 2026 with an on-going \$250,000 reduction starting in 2026, and a separate budget item for a one-time \$250,000 reduction starting in 2026. OLS will continue to administer the COEF with smaller awards or less contracts. The total amount budgeted for the Community Outreach and Education Fund is \$1,500,000 in 2025 and \$1,000,000 in 2026.

### Proposed Technical

#### Final Adjustments for Standard Cost Changes

Expenditures \$(26,714)

Citywide technical adjustments made in the proposed phase reflect changes to internal services costs, including rates from the Department of Finance & Administrative Services, Seattle Information Technology Department, Seattle Department of Human Resources, and for healthcare for the department. These adjustments reflect final decisions about these costs made during the Proposed Phase of the budget process.

Revenues \$25,000

Revenues \$300,089

#### OLS Fund Revenue Updates

Revenues \$(316,784)

This item decreases revenue from the General Fund to the Office of Labor Standards fund to reflect the budget changes described above. OLS is using fund balance from 2024, which offsets some of the 2025 General Fund transfer.

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## Council

### **Increase OLS for the Business Outreach and Education Fund and Community Outreach and Education Fund**

Expenditures	\$100,000
Revenues	\$100,000

This item increases appropriations to the Office of Labor Standards by \$100,000 in 2025 and \$600,000 in 2026 for the Business Outreach and Education Fund (BOEF) and Community Outreach and Education Fund (COEF). Of this amount, \$100,000 in 2025 and 2026 ongoing is for the BOEF. In 2026, the COEF would receive \$500,000, \$250,000 of which is one-time for 2026. This action fully restores reductions to these funds included in the 2025-2026 Proposed Budget.

### **Increase OLS by 3.0 FTE to restore position authority**

Position Allocation	3.00
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This Council Budget Action (CBA) increases position authority in the Office of Labor Standards by 1.0 FTE Planning & Development Specialist II (Labor Standards Engagement Specialist), 1.0 FTE Strategic Advisor I (Data Analyst), and 1.0 FTE Civil Rights Analyst (Investigator). These positions were proposed to be abrogated in the 2025-2026 Proposed Budget. No funding is allocated for these positions, which are currently vacant.

## Office of Labor Standards

### Expenditure Overview

	2023 Actuals	2024 Adopted	2025 Adopted	2026 Endorsed
<b>Appropriations</b>				
<b>OLS - BO-LS-1000 - Office of Labor Standards</b>				
00190 - Office of Labor Standards Fund	8,805,801	8,441,478	8,524,784	8,846,777
14500 - Payroll Expense Tax	-	600,000	-	-
<b>Total for BSL: BO-LS-1000</b>	<b>8,805,801</b>	<b>9,041,478</b>	<b>8,524,784</b>	<b>8,846,777</b>
<b>Department Total</b>	<b>8,805,801</b>	<b>9,041,478</b>	<b>8,524,784</b>	<b>8,846,777</b>
<b>Department Full-Time Equivalents Total*</b>	<b>36.00</b>	<b>43.00</b>	<b>43.00</b>	<b>43.00</b>

*\* FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Human Resources Director actions outside of the budget process may not be detailed here*

### Budget Summary by Fund Office of Labor Standards

	2023 Actuals	2024 Adopted	2025 Adopted	2026 Endorsed
00190 - Office of Labor Standards Fund	8,805,801	8,441,478	8,524,784	8,846,777
14500 - Payroll Expense Tax	-	600,000	-	-
<b>Budget Totals for OLS</b>	<b>8,805,801</b>	<b>9,041,478</b>	<b>8,524,784</b>	<b>8,846,777</b>

### Revenue Overview

#### 2025 Estimated Revenues

Account Code	Account Name	2023 Actuals	2024 Adopted	2025 Adopted	2026 Endorsed
360420	Other Judgments & Settlements	77,829	50,000	75,000	75,000
<b>Total Revenues for: 00100 - General Fund</b>		<b>77,829</b>	<b>50,000</b>	<b>75,000</b>	<b>75,000</b>
397000	Operating Transfers In Summ	-	738,077	738,077	738,077
397010	Operating Transfers In	7,954,675	6,988,381	6,771,597	8,108,701
<b>Total Revenues for: 00190 - Office of Labor Standards Fund</b>		<b>7,954,675</b>	<b>7,726,458</b>	<b>7,509,674</b>	<b>8,846,777</b>
400000	Use of/Contribution to Fund Balance	-	715,021	1,015,110	-
<b>Total Resources for: 00190 - Office of Labor Standards Fund</b>		<b>7,954,675</b>	<b>8,441,478</b>	<b>8,524,784</b>	<b>8,846,777</b>
<b>Total OLS Resources</b>		<b>8,032,504</b>	<b>8,491,478</b>	<b>8,599,784</b>	<b>8,921,777</b>

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## Appropriations by Budget Summary Level and Program

### **OLS - BO-LS-1000 - Office of Labor Standards**

The purpose of the Office of Labor Standards Budget Summary Level is to implement labor standards for workers performing work inside Seattle’s city limits . This includes investigation, remediation, outreach and education, and policy work related to existing labor standards and those that the City may enact in the future.

<b>Program Expenditures</b>	<b>2023 Actuals</b>	<b>2024 Adopted</b>	<b>2025 Adopted</b>	<b>2026 Endorsed</b>
Business Outreach & Education	672,252	600,000	600,000	600,000
Community Outreach & Education	1,987,838	1,500,000	1,500,000	1,500,000
Office of Labor Standards	6,145,711	6,941,478	6,424,784	6,746,777
<b>Total</b>	<b>8,805,801</b>	<b>9,041,478</b>	<b>8,524,784</b>	<b>8,846,777</b>
Full-time Equivalents Total*	36.00	43.00	43.00	43.00

*\*FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Human Resources Director actions outside of the budget process may not be detailed here*

The following information summarizes the programs in Office of Labor Standards Budget Summary Level:

#### **Business Outreach & Education**

The purpose of the Business Outreach and Education program is to facilitate assistance and outreach to small businesses owned by low-income and historically disenfranchised communities, who typically are not served by traditional outreach methods, to increase awareness and compliance with Seattle's labor standards.

<b>Expenditures/FTE</b>	<b>2023 Actuals</b>	<b>2024 Adopted</b>	<b>2025 Adopted</b>	<b>2026 Endorsed</b>
Business Outreach & Education	672,252	600,000	600,000	600,000

#### **Community Outreach & Education**

The purpose of the Community Outreach and Education program is to strengthen the collaboration between OLS and the community by funding community-based organizations and enhancing their capacity to increase awareness and understanding of Seattle’s labor standards among populations and industries with low-wage jobs and that experience high-incidents of workplace violations including: female-identifying workers, workers of color, immigrant and refugee workers, LGBTQ workers, workers with disabilities, veterans and youth workers.

<b>Expenditures/FTE</b>	<b>2023 Actuals</b>	<b>2024 Adopted</b>	<b>2025 Adopted</b>	<b>2026 Endorsed</b>
Community Outreach & Education	1,987,838	1,500,000	1,500,000	1,500,000

#### **Office of Labor Standards**

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The purpose of the Office of Labor Standards Program is to develop and implement labor standards that advance workplace equity for employees working inside Seattle's city limits. This includes enforcement outreach and education, and policy work.

<b>Expenditures/FTE</b>	<b>2023 Actuals</b>	<b>2024 Adopted</b>	<b>2025 Adopted</b>	<b>2026 Endorsed</b>
Office of Labor Standards	6,145,711	6,941,478	6,424,784	6,746,777
Full Time Equivalents Total	36.00	43.00	43.00	43.00