

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, 2026, there are 16 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 Ordinance** establishes protections against certain deactivations from the platforms of covered companies, among other rights.

Office of Labor Standards

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

	2024 Actuals	2025 Adopted	2026 Endorsed	2026 Proposed
Department Support				
Other Funding - Operating	8,802,014	8,524,784	8,846,777	9,872,411
Total Operations	8,802,014	8,524,784	8,846,777	9,872,411
Total Appropriations	8,802,014	8,524,784	8,846,777	9,872,411
Full-Time Equivalents Total*	43.00	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 2026 Proposed budget maintains core services for the Office of Labor Standards (OLS) for 14 labor standards and expands services for 2 labor standards through use of new regulatory fee revenue, the Network Company License (NCL) Fee.

City Council established the NCL Fee in November 2023 (Ordinance 126953) to supplement OLS funding to implement two labor standards:

- The App-Based Worker Minimum Payment Ordinance (SMC 8.37, passed in 2022 to take effect as of January 13, 2024) and
- The App-Based Worker Deactivation Rights Ordinance (SMC 8.40, passed in 2023 with procedural enforcement starting January 1, 2025, and full enforcement starting June 1, 2027)

The fee is \$0.10 per online order that results in app-based workers' delivery of goods or provision of other services in Seattle. Orders that are solely the delivery of groceries are exempt. The NCL fee revenue is restricted in use to recover regulatory costs for the Department of Finance and Administrative Services' (FAS) implementation of the fee, and then for OLS' implementation of App-Based Worker Deactivation Rights Ordinance and the App-Based Worker Minimum Payment Ordinance. While these two ordinances have taken effect, the collection of the NCL fee does not begin until the end of calendar year 2025 for the fee's effective start date beginning January 1, 2025. After 2025, the City will collect the fee on a quarterly basis.

As result, the 2026 Proposed Budget allocates \$1.86 million in NCL fee supported expenditures, of which \$249,156 is appropriated to FAS for fee collection and administration and \$1.61 million is appropriated to OLS for enforcement of the two app-based worker labor standards that the NCL fee supports. Of the \$1.61 million, \$965,963 funds new activity within OLS including three previously legislated but unfunded positions intended to work on enforcement of

Office of Labor Standards

the two relevant standards, one-time data projects, a labor pool, and outreach and communications focused on the NCL fee supported standards. The remaining \$640,735 is a shift of already existing activity related to enforcement of these two standards from the General Fund to NCL revenue. Full enforcement of the App-Based Worker Deactivation Ordinance does not begin until mid-2027, so OLS will continue to build capacity related to implementation of this ordinance with use of NCL fee revenue in future budget years.

The 2026 Proposed Budget also includes one-time funding for office space expansion and ongoing funding to correct for pay compression of the Civil Rights Analyst, Supervising job classification. Technical adjustments to the OLS budget include wage and retirement adjustments, as well as cost neutral reallocation of budget to align with actual expenditures. The cumulative result of the proposed changes increases the OLS 2026 budget by 16% over the 2025 Adopted Budget.

Office of Labor Standards

Incremental Budget Changes

Office of Labor Standards

	2026 Budget	FTE
Total 2026 Endorsed Budget	8,846,777	43.00
Baseline		
Citywide Adjustments for Standard Cost Changes	(65,917)	-
Proposed Operating		
One-time NCL Fee Supported Labor Pool Costs	90,000	-
Fund Senior Investigator and Enforcement Supervisor Positions with NCL Fee Revenue	363,578	-
NCL Fee Supported Data Analysis Staffing and Functions	277,385	-
NCL Fee Funded App-Based Worker Laws Baseline Data Project	135,000	-
App-Based Worker Minimum Pay and Deactivation Laws Outreach and Education	100,000	-
Use NCL Fee Revenue to Support Existing and Applicable Sr. Investigator and Policy Analyst labor costs	-	-
Use NCL Fee Revenue for Relevant Community Outreach and Education Fund Contracts	-	-
Office Space Lease Renewal and Space Expansion	155,139	-
2026 Pay Compression & Inversion Corrections- Civil Rights Analyst, Supervising	47,242	-
Proposed Technical		
Bargained Annual Wage Adjustment to Base Budget	(72,728)	-
SCERS Retirement Contribution Rate Reduction	(4,066)	-
General Fund Revenue Adjustment	-	-
Reallocate Unmapped Budget	-	-
Reallocate Budget for Transfer-in Accounts	-	-
Reallocate Funding Source Budget	-	-
Total Incremental Changes	\$1,025,633	-
Total 2026 Proposed Budget	\$9,872,411	43.00

Description of Incremental Budget Changes

Baseline

Citywide Adjustments for Standard Cost Changes

Expenditures	\$(65,917)
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Office of Labor Standards

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 and other central cost factors. These adjustments reflect initial assumptions about these costs and inflators early in the budget process.

Proposed Operating

One-time NCL Fee Supported Labor Pool Costs

Expenditures	\$90,000
Revenues	\$90,000

This item provides a one-time labor cost pool of \$90,000 for staff time directly spent on implementation of the App-Based Worker Deactivation Rights and Minimum Pay Ordinances. In the future, when full staffing comes online to fully support the two relevant NCL Fee-supported working standards, other staff would revert their time back to work on the other labor standards.

Fund Senior Investigator and Enforcement Supervisor Positions with NCL Fee Revenue

Expenditures	\$363,578
Revenues	\$363,578

This item funds 2.0 FTE of previously legislated positions with NCL Fee revenue at a cost of \$363,578. A Supervising Civil Rights Analyst (Working Title: Enforcement Supervisor) and Senior Civil Rights Analyst (Working Title: Senior Investigator) will be hired to support enforcement of the App-Based Worker Minimum Pay and App-Based Worker Deactivation Rights Ordinances. These positions were added in 2024 Adopted Budget with one-time funds, but then defunded in the 2025 Adopted Budget, with the intent that NCL fee revenue would fund them once collection began.

NCL Fee Supported Data Analysis Staffing and Functions

Expenditures	\$277,385
Revenues	\$277,385

This item funds a Strategic Advisor I (working title: Data Analyst) position that was previously legislated in the 2024 Adopted Budget and provides \$83,000 in one-time consultant funding to support data analysis functions of the App-Based Worker Deactivation Rights and App-Based Worker Minimum Payment laws. Consultant funds will be used to evaluate completeness and quality of the data that network companies are required to submit pursuant to App-Based Worker Minimum Payment and Deactivation Ordinances. The consultant will provide technical assistance to bring companies into compliance with data reporting requirements. Once the Strategic Advisor position is onboarded, this position will take over data work completed by the consultant and their contract will end.

NCL Fee Funded App-Based Worker Laws Baseline Data Project

Expenditures	\$135,000
Revenues	\$135,000

This item provides one-time NCL fee supported funding for a project that establishes baseline data for App-Based Worker Deactivation Rights and Minimum Pay Laws. Funding will be used to purchase/source data and then pay for consultant support to analyze the baseline data that will help the OLS understand app-based worker pay and working conditions prior to implementation of the App-Based Worker Minimum Pay and Deactivation Rights laws. This project is needed to monitor the impact of these laws on workers in this sector. This is a one-time project to understand working conditions from before the two laws took effect using historical data, whereas the Data Analyst and consultant funds also included in this year's budget focus on ongoing data collection and analysis, as companies

Office of Labor Standards

are now required to submit data as result of App-Based Worker Deactivation Rights and App-Based Worker Minimum Payment laws.

App-Based Worker Minimum Pay and Deactivation Laws Outreach and Education

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

This item uses NCL Fee Revenue to fund \$100,000 in outreach, education, and communication specific to the App-Based Worker Minimum Pay and Deactivation laws. This funding allows for concerted outreach and education strategy specific to the workers in this sector, and includes activities such as multilingual material development, translation, printing/publishing, development of awareness videos, printing of navigation guides, radio and ethnic media, and web content development.

Use NCL Fee Revenue to Support Existing and Applicable Sr. Investigator and Policy Analyst labor costs

Expenditures	-
Revenues	-

This item replaces \$373,735 in General Fund supported expenditures with Network Company License Fee supported expenditures for labor costs associated with the equivalent of 1.0 FTE Senior Civil Rights Analyst (Working Title: Senior Investigator) and one Strategic Advisor 1 (Working Title: Policy Analyst). Policy Analysts and Senior Investigators already spend their time working on the App-Based Worker Minimum Payment and App-Based Worker Deactivation Rights Ordinances, as these ordinances took effect before the Network Company Fee meant to support them.

Use NCL Fee Revenue for Relevant Community Outreach and Education Fund Contracts

Expenditures	-
Revenues	-

This item replaces \$267,000 in General Fund supported expenditures with Network Company Fee-supported expenditures for the Community Outreach and Education Fund (COEF). This means that \$267,000 of the total \$1.5 million COEF contacts awarded to community-based organizations will be dedicated to activity related to App-Based Worker Minimum Payment and App-Based Worker Deactivation Rights Ordinances. There will most likely be a separate RFP process to differentiate contract activity from other non-NCL Fee supported Ordinances.

Office Space Lease Renewal and Space Expansion

Expenditures	\$155,139
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This item funds the 5-year lease renewal of OLS' current office space in the Central building, as well as expands OLS office space into the 4,500 square foot adjacent suite. The expansion allows for office space to accommodate the growing department, as the NCL fee supports new staff dedicated to enforcement of App-Based Worker Minimum Payment and App-Based Worker Deactivation Rights Ordinances. Lower cost per square foot and rent concessions applied in the first year of the lease result in a small \$2,686 decrease in rent in 2026, even when accounting for expanded footprint. \$157,825 is one-time funding for furniture, IT, security and planning needed to add the expansion space to OLS' footprint.

2026 Pay Compression & Inversion Corrections- Civil Rights Analyst, Supervising

Expenditures	\$47,242
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Pay rate adjustments within the Coalition of City Unions Bargaining created compression or inversion within 5 non-represented supervisor and senior-level titles. Seattle Department of Human Resources has conducted analysis on

Office of Labor Standards

how to adjust rates and grades to correct for this. As a result, this item increases department appropriation by \$47,242 to correct for compression for the Civil Rights Analyst, Supervising job classification, and impacts pay for 3 positions within the department.

Proposed Technical

Bargained Annual Wage Adjustment to Base Budget

Expenditures	\$(72,728)
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This centrally administered change adjusts base budget appropriations to reflect the proper Annual Wage Increase (AWI) increment for 2026, as outlined in the agreements between the City and the Coalition of City Unions for personnel costs. AWI increments are determined based on the average change in the local Consumer Price Index (CPI). This change represents a true-up between the forecasted CPI assumption included in the Endorsed Budget and the actual CPI data.

SCERS Retirement Contribution Rate Reduction

Expenditures	\$(4,066)
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The City's employee retirement system, the Seattle City Employees Retirement System (SCERS) is a defined benefit pension program funded by a combination of salary-based employer (i.e., the City) and employee contributions, and investment earnings. Based on the updated actuarial valuation for 2025, this item reduces the employer contribution rate from the endorsed rate of 15.17% to the SCERS minimum actuarial required rate of 15.06%.

General Fund Revenue Adjustment

Revenues	\$(75,000)
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This is a technical adjustment to capture centrally projected and forecast General Fund revenue increments for this department.

Reallocate Unmapped Budget

Expenditures	-
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This item is a net-zero shift of unmapped budget to accurate account codes.

Reallocate Budget for Transfer-in Accounts

Revenues	-
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This cost neutral item adjusts revenue accounts and Budget Summary Level amounts so that transfer-in amounts are all budgeted correctly.

Reallocate Funding Source Budget

Expenditures	-
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This cost neutral adjustment corrects for budget that was erroneously attached to funding source that is no longer applicable for the Office of Labor Standards.

Office of Labor Standards

Expenditure Overview

	2024 Actuals	2025 Adopted	2026 Endorsed	2026 Proposed
Appropriations				
OLS - BO-LS-1000 - Office of Labor Standards				
00190 - Office of Labor Standards Fund	8,750,834	8,524,784	8,846,777	9,872,411
14500 - Payroll Expense Tax	51,180	-	-	-
Total for BSL: BO-LS-1000	8,802,014	8,524,784	8,846,777	9,872,411
Department Total	8,802,014	8,524,784	8,846,777	9,872,411
Department Full-Time Equivalents Total*	43.00	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 Summary by Fund Office of Labor Standards

	2024 Actuals	2025 Adopted	2026 Endorsed	2026 Proposed
00190 - Office of Labor Standards Fund	8,750,834	8,524,784	8,846,777	9,872,411
14500 - Payroll Expense Tax	51,180	-	-	-
Budget Totals for OLS	8,802,014	8,524,784	8,846,777	9,872,411

Revenue Overview

2026 Estimated Revenues

Account Code	Account Name	2024 Actuals	2025 Adopted	2026 Endorsed	2026 Proposed
360420	Other Judgments & Settlements	102,864	75,000	75,000	-
Total Revenues for: 00100 - General Fund		102,864	75,000	75,000	-
397000	Operating Transfers In Summ	-	738,077	738,077	-
397010	Operating Transfers In	7,796,933	6,771,597	8,108,701	10,716,557
Total Revenues for: 00190 - Office of Labor Standards Fund		7,796,933	7,509,674	8,846,777	10,716,557
400000	Use of/Contribution to Fund Balance	-	1,015,110	-	(844,146)
Total Resources for: 00190 - Office of Labor Standards Fund		7,796,933	8,524,784	8,846,777	9,872,411
Total OLS Resources		7,899,797	8,599,784	8,921,777	9,872,411

Office of Labor Standards

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.

Program Expenditures	2024 Actuals	2025 Adopted	2026 Endorsed	2026 Proposed
Business Outreach & Education	594,371	600,000	600,000	600,000
Community Outreach & Education	1,556,959	1,500,000	1,500,000	1,500,000
Office of Labor Standards	6,650,684	6,424,784	6,746,777	7,772,411
Total	8,802,014	8,524,784	8,846,777	9,872,411
Full-time Equivalents Total*	43.00	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.

Expenditures/FTE	2024 Actuals	2025 Adopted	2026 Endorsed	2026 Proposed
Business Outreach & Education	594,371	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.

Expenditures/FTE	2024 Actuals	2025 Adopted	2026 Endorsed	2026 Proposed
Community Outreach & Education	1,556,959	1,500,000	1,500,000	1,500,000

Office of Labor Standards

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.

Office of Labor Standards

Expenditures/FTE	2024 Actuals	2025 Adopted	2026 Endorsed	2026 Proposed
Office of Labor Standards	6,650,684	6,424,784	6,746,777	7,772,411
Full Time Equivalents Total	43.00	43.00	43.00	43.00