



# Proposed Process for Evaluation of a Locally Mandated Minimum Wage

## Background

Evaluation of an Olympia only mandated minimum wage has been assigned to the City Council's Finance Committee but not set for a specified date of consideration.

On April 10, 2018, the City Council approved a referral (*Attachment 1*) for staff to develop a detailed process (including content, timeline, public engagement and expenses) to fully consider the pros/cons and impacts of increased minimum wage for Olympia only.

## Process - Proposed Tasks

### I. Develop a Business/Non-profit Profile for Olympia

*Most of Olympia's businesses are small or very small. Olympia is also home to a number of non-profit organizations. All would be impacted by an increase in the minimum wage. A business profile will help identify the number and scale of businesses and non-profits who will be impacted.*

- Number of very small - less than 10 employees
- Number of small - 10 - 50 employees
- Percent grossing less than \$1 Million/year
- Percent grossing less than \$500,000/year
- Percent grossing less than \$200,000/year
- Number of non-profits
- Number of employees per non-profit

### II. Data

*Data gathering and analysis will better determine which sectors of the economy will be most impacted by an increased minimum wage. Many large employers such as government, schools, and medical services generally pay above state minimum wage. Other more competitive sectors like retail and restaurant often mirror the state minimum wage.*

- Gather data on Olympia's employment sector
  1. Number of jobs per category (retail, restaurants etc.)
  2. Wage and salary data per category
  3. Percent of each category at \$15 per hour
  4. Percent of each category below \$13 per hour
- Data sales
  1. Retail Sales - percent in Olympia, number of employees, wage data
  2. Restaurant sales - percent in Olympia, number of employees, wage data

### III. Business/Non Profit Impact Survey

*A survey will solicit direct and indirect impacts for those required to impose the increased wage.*

- Draft (*Attachment 2*)
- Elway Cost and Timeline

**IV. Focus Group Process**

*The minimum wage initiative in Tacoma used their model to forget wage options for Tacoma which received voter approval.*

- Non-profits
- Small businesses
- Large businesses
- Allison Peters Proposal – Cost and timeline (*Attachment 3*)

**V. Research on Minimum Wage in Other Cities**

- Seattle
- Tacoma
- SeaTac
- Impacts/Pros & Cons/Unintended Impacts

**VI. Development of a Blue Ribbon Commission to Assess Options Based on Data**

*(Tacoma model, Attachment 4)*

- Labor
- Business
- Non-profits

**VII. Ballot Options (*Attachment 5*)**

- Dates and Costs
- Pros and Cons

**VIII. Implementation Costs and Issues**

- Staffing
- Costs
- Education/Effort
- Enforcement?

**IX. Cumulative Impact on Employers (*Attachment 6*)**

*The 2018 Legislative Session included new mandates for business which will be felt in 2018 – 2020.*

- New State Mandates
  1. State minimum wage increases
    - 2018 - \$12/hour
    - 2019 - \$12.50/hour
    - 2020 - \$13/hour
  2. Mandatory sick leave
  3. Paid family medical leave – January 2019