



KING COUNTY
Signature Report

ATTACHMENT 1
1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

March 13, 2014

Motion

Proposed No. 2014-0058.1

Sponsors Dembowski and Phillips

1 A MOTION addressing income inequality with the
2 establishment and implementation of a living wage policy
3 for King County.

4 WHEREAS, King County's policies are designed to foster and promote a healthy
5 economic environment for individual county residents and their families, including jobs
6 and wages that are sufficient to support a family, and

7 WHEREAS, one of the stated objectives toward achieving the goal of Economic
8 Growth and Built Environment under the King County Strategic Plan is to "support a
9 strong, diverse, and sustainable economy," and

10 WHEREAS, one of the indicators of whether that objective has been attained is
11 the "percent of jobs paying a living wage," and

12 WHEREAS, according to "The Self-Sufficiency Standard for Washington State
13 2011," a report prepared for the Workforce Development Council of Seattle-King
14 County, the Washington State minimum wage is insufficient to meet the basic needs of
15 working families, to wit, the current minimum wage for Washington State, which is
16 \$9.32 per hour as of January 2014, is less than the 2011 "self-sufficiency standard" by
17 between twelve percent and seventy-three percent, depending on the number of adults
18 and children in the family and the family's specific location within King County, and

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19 WHEREAS, employees who are paid less than a living wage are more likely to
20 rely on government programs for assistance, resulting in an indirect taxpayer subsidy to
21 their employers, and

22 WHEREAS, according to Communities Count, a public-private partnership,
23 including King County, that provides data to monitor the health and well-being of King
24 County communities:

25 1. The cost of meeting basic needs continues to increase in King County, despite
26 stagnating wages and difficult economic times, with median real income not having
27 grown in more than two decades; and

28 2. "In 2010, more than 12% of King County residents of all ages (about 233,000)
29 lived in poverty, up from 8% in 1989 and 1999, and 10% in 2007," and "16% of King
30 County children (about 65,000) lived in poverty, up from 10% in 1989 and 1999, and
31 13% in 2007"; and

32 3. The 233,000 King County residents who lived in poverty in 2010 included
33 thirty-eight percent of the county's Native Hawaiian/Pacific Islander residents, 30% of
34 the county's Black residents, twenty-nine percent of the county's American Indian/Alaska
35 Native residents and twenty-seven percent of the county's Hispanic residents; and

36 WHEREAS, according to a December 2013 report by the Alliance for a Just
37 Society, a national network of twelve racial and economic justice organizations (for the
38 purpose of subsections 1. through 4. of this clause, "living wage means a wage that
39 allows families to meet their basic needs, without public assistance, and that provides
40 them some ability to deal with emergencies and plan ahead and measured for the state as
41 a whole as of 2013:

- 42 1. The Washington state minimum wage, which is \$9.32 per hour as of January
43 2014, is:
- 44 a. forty-two percent less than a living wage for a single adult;
 - 45 b. fifty-eight percent less than a living wage for a single adult with a school-age
46 child aged six through eight years;
 - 47 c. sixty-nine percent less than a living wage for a single adult with a toddler aged
48 twelve through twenty-four months and a school-age child;
 - 49 d. sixty-nine percent less than a living wage for two adults, with one working and
50 with a toddler and a school-age child; and
 - 51 e. fifty-three percent less than a living wage for two adults, with both working
52 and with a toddler and a school-age child; and
- 53 2. The percentage of all job openings paying less than a living wage in
54 Washington state in 2012 was: forty-one percent for a household consisting of a single
55 adult; sixty-one percent for a single adult with one child; seventy-eight for a single adult
56 with two children; and eighty percent for two adults, with one working, with two
57 children; and
- 58 3. The percentage of United States jobs that pay less than \$15 per hour increased
59 from 36.55 percent in 2009 to 39.45 percent in 2012, reaching a total of 51.4 million in
60 2012; and
- 61 4. The number of jobs in occupational categories with median wages above \$15
62 per hour dropped by four million from 2009 to 2012, masked by an increase of 3.6
63 million jobs with median wages below \$15 an hour; and

64 WHEREAS, according to the U.S. Department of Labor, minimum wage workers
65 are disproportionately women and people of color, and it is the aim of King County's
66 equity and social justice initiative to eliminate such disparities; and

67 WHEREAS, according to a January 2013 report by the Institute for Taxation and
68 Economic Policy, the state and local tax system in Washington state taxes the poorest
69 twenty percent of nonelderly state residents at a rate six times the rate at which the top
70 one percent is taxed, and taxes the middle sixty percent at a rate almost four times the rate
71 at which the top one percent is taxed, making Washington's the most regressive state and
72 local tax system in the nation; and

73 WHEREAS, a group of seventy-five economists, including seven Nobel laureates
74 and eight former presidents of the American Economic Association, in January 2014
75 recommended that the federal minimum wage be raised to \$10.10 by 2016 and be
76 indexed to inflation thereafter and has expressed the views that "the weight of evidence
77 now show[s] that increases in the minimum wage have had little or no negative effect on
78 employment of minimum wage workers, even during times of weakness in the labor
79 market," and that "[r]esearch suggests that a minimum wage increase could have a small
80 stimulative effect on the economy as low-wage workers spend their additional earnings,
81 raising demand and job growth, and providing some help on the jobs front"; and

82 WHEREAS, many of those working in King County are having trouble meeting
83 basic needs in light of stagnating wages while cost of living continues to grow; and

84 WHEREAS, according to the National Employment Law Project, legislation
85 requiring employers to pay a living wage had been adopted in more than one hundred
86 twenty-five cities, counties, and states across the nation as of 2011, but King County, the

87 thirteenth largest county in the nation has no living wage policy for its contractors and
88 others doing business with or receiving benefits from King County;

89 NOW, THEREFORE, BE IT MOVED by the Council of King County:

90 A. It is the policy of King County that a living wage should be paid to county
91 employees and to the employees of persons, businesses, organizations and other entities
92 that receive procurement contracts, tax exemptions or credits or other financial or
93 programmatic benefits from King County.

94 B. To effectuate the living wage policy set forth in subsection A of this motion,
95 the council requests that the executive prepare and submit to the council, no later than
96 Labor Day, September 1, 2014, a report assessing the costs, benefits, and other
97 consequences of adopting a living wage ordinance setting a minimum level of
98 compensation for all county employees and for the employees of persons, businesses,
99 organizations and other entities receiving or applying for county procurement contracts,
100 county tax exemptions or credits or other financial or programmatic benefits from King
101 County.

102 C. In conjunction with the requested report, the council requests that the
103 executive also transmit to the council proposed legislation effectuating the living wage
104 policy set forth in this motion.

105 D. The report and requested ordinance should analyze and address the following
106 questions and issues, as well as address any other issues that the executive considers
107 relevant:

108 1. The scope, applicability and specific provisions of a living wage ordinance to
109 carry out the adopted living wage policy of King County;

- 110 2. A dollar amount or formula for establishing a living wage or wages;
- 111 3. Whether the living wage, once established, should be indexed to protect
112 against inflation and, if so, what measure of inflation should be used;
- 113 4. Whether the value of nonwage compensation and benefits should be included
114 in determining a living wage;
- 115 5. Whether there should there be any exemptions from the ordinance;
- 116 6. Whether the ordinance can and should apply to extensions or renewals of
117 existing contracts;
- 118 7. Whether King County should adopt a minimum wage different than that
119 imposed under state law for unincorporated King County and at King County
120 International Airport, and if so, in what amount;
- 121 8. Whether there would be any adverse consequences to the county's represented
122 workforce, the scope and nature of those consequences, and how such adverse
123 consequences could be mitigated or otherwise resolved;
- 124 9. Whether a county contractor, bidder or proposer who fails to comply with any
125 living wage policy or law should be disqualified from consideration from county
126 contracts and benefits, or whether such a status should be merely one factor for the
127 county to consider in awarding contracts, or a combination thereof depending on
128 circumstances;
- 129 10. How to ensure compliance with and enforcement of the ordinance;
- 130 11. The effective date of the ordinance;

131 12. The overall fiscal impact of a living wage ordinance, taking into
132 consideration any reductions in the need for the county and its taxpayers to provide
133 support for low-income families and individuals as well as any increased costs;

134 13. A plan and timeline for implementation of the living wage ordinance;

135 14. Whether there are any legal impediments or practical problems likely to be
136 associated with the county's adoption of a living wage ordinance, and a plan to resolve or
137 mitigate any adverse legal or practical hurdles; and

138 15. Any other issues that the executive believes should be addressed in the
139 implementation of the living wage policy adopted by this motion.

140 E. The executive should address in the requested report and legislation whether
141 the policy adopted in subsection A should apply to special or limited purpose
142 governments with whom the county contracts or that receive procurement or other
143 contracts, county tax exemptions or credits or other financial or programmatic benefits
144 from King County. This policy is not intended to apply to other general purpose
145 governments (e.g., the federal government, state governments or other counties, cities or
146 towns) receiving or applying for county procurement or other contracts, county tax
147 exemptions or credits or other financial or programmatic benefits from King County.

148 F. The report should be submitted in the form of a paper original and an
149 electronic copy to the clerk of the council, who shall retain the original and provide an
150 electronic copy to all councilmembers, the council chief of staff, the lead staff for the

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151 transportation, economy and environment committee, or its successor, and the council's
152 legislative analyst primarily assigned to labor relations issues.
153

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Larry Gossett, Chair

ATTEST:

Anne Noris, Clerk of the Council

APPROVED this ____ day of _____, ____.

Dow Constantine, County Executive

Attachments: None