

Business power and the turn toward the local in employment standards policy and enforcement

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Unequal Power

Part of the **Unequal Power** project, an EPI initiative to reestablish the understanding in law, politics, economics, and philosophy, that equal bargaining power between workers and employers does not exist. Recognizing this inherent workplace inequality will bolster freedom, economic fairness, workplace protections and democracy.

Executive summary

As the strength of laws governing labor relations and collective bargaining has diminished across most of the private sector, a wave of labor policy change has swept over states and cities, with the result that employment ordinances and public enforcement have become the predominant labor market institutions protecting workers. But how are labor standards ordinances successfully crafted, implemented, administered, and enforced, and what role does business, with its outsized economic power and political influence, play in shaping, amending, or blocking these efforts?

This paper¹ uses comparative case studies of three major Democrat-controlled U.S. cities—Seattle, Los Angeles, and New York—in Democrat-controlled states between about 2010 and 2020 that not only expanded their employment protections but also established a local agency and directed substantial resources toward the enforcement of local employment laws. Drawing on public comments in city council hearings, mayoral statements, media coverage, city government documents, campaign donations from employers and employer organizations, and interviews with enforcement office leaders and staff, other city government officials, labor standards advocates, and employer advocates outside of government, we examine (1) the strategies used by employers and employer organizations to attempt to shape all parts of the process of enacting, implementing, and enforcing local employment standards, and (2) the ways city government officials construed business interests and the role of government accommodation of business concerns.

We pay special attention to forms of employer influence that appear related to the employers' *instrumental power*—derived from direct influence through deploying resources in order to secure favorable decisions from politicians—and to their *structural power*—derived from the ability to withdraw capital and jobs and thereby affect the economy. The concept of structural power includes both the ability of business to affect the economy directly and an ideational component: how policymakers and bureaucrats *think* about the structural power of business.

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This ideational component involves *beliefs* among elected officials that if businesses disagree with political decisions, the businesses will act in a way that significantly harms the state of the economy.

In the three cities, we observed four common mechanisms by which employer influence functions:

- Employers win legislative concessions not due to greater resources but through being repeat players in the policymaking process, either by representing (in Seattle and Los Angeles) an enduring interest group that legislators feel they must be responsive to as part of the everyday functioning of local government, or by representing (in New York) a powerful constituency (large businesses) or a constituency in need of protection (small businesses).
- Even when minimum wage and paid sick laws passed with lopsided majorities, mayors, city councilors, and sometimes agency leaders were nevertheless strongly attuned and responsive to the ideational structural power of business. The form of structural power that most worries politicians is not fear of divestment and capital moving to other jurisdictions, but rather a fear that businesses know what they're talking about when they claim they will be bankrupted and have to close in response to employment standards reforms. As mayoral and city council staff as well as labor advocates repeatedly pointed out, this has become the automatic response by business to any proposed employment policy improvement, and it is automatically taken seriously as a legitimate threat without employers even having to provide much evidence in support of their claims.
- Politicians have a sincere concern for small businesses that is reflected in widely circulating narratives. But while these narratives are certainly deployed strategically, they also speak to deeply held beliefs on the part of politicians in each of the cities.
- In addition to sincere concern for the fates of small businesses, mayors were also concerned with how robust enforcement of employment standards might impact their future political careers.

Thus, while we see some evidence of instrumental power in the process of enforcement, the invocation of structural power—especially the dimensions of ideational influence—is an important barrier to robust implementation. To counter this endemic advantage that business enjoys, we suggest four key areas for worker advocates to attend to:

- ***Attention to cleavage within the business community.*** In each city, business was not a monolith. For worker and community advocates, before beginning a campaign, it is important to disaggregate the business community and do a thorough power analysis of each of the players. But power is often hard to see: Business influence is not always easy to track because sometimes businesses are intentionally trying to stay off the record, not testifying at hearings but instead communicating directly to mayors or their political consultants. In all three cities, we heard accounts of specific carve-outs that were accomplished this way.
- ***Attention to ideational power using narratives and frames.*** The ideational aspects of structural power are extremely powerful in shaping the enforcement of

employment standards. Narrative and cultural strategies are essential to challenging the hegemonic power of business and the laissez faire narrative. Liberal and progressive elected officials in deep blue cities favor employment reforms but still worry about policy impacts on business and feel a need to be open to concessions.

- **Attention to the fundamentally conflicted role of small businesses.** In each of these cities, small businesses play a fundamentally contradictory role. Many of the elected officials involved in passing these policies and establishing these offices and the agency leaders who staff them feel badly that the majority of violations coming in are against small business, many of which are in immigrant ethnic enclaves and are often owned by immigrants and people of color. The organizations that mobilized to pass these policies do not believe that they are going to drive structural change by going after small businesses, but they also know that small businesses are frequent sources of violations for their constituents. There is room for progressive organizations to enter the policy arena in support of high-road small businesses.
- **Pressuring of elected officials specifically on enforcement.** There is a tendency on the part of worker advocacy organizations to trade off enforcement and funding in order to get a policy on the books. But worker advocates should budget and design campaigns around enforcement rules, practices, and budgets, in addition to waging the legislative battles over policy.

Introduction

Asymmetric power relations between business and labor have led to a radical decline in employer accountability over the past several decades, leading in turn to lower rates of private-sector unionization; the erosion of wages, benefits, and employment standards; and a fractured, fragmented, and precarious labor market for many workers (Appelbaum and Schmitt 2009; Bernhardt et al. 2013; Doussard 2013; Gautié and Schmitt 2010; Kalleberg 2009; Weil 2012, 2014; Weil and Pyles 2005). At the same time, the ability of federal labor law to evolve and address these conditions has been stifled by gridlock and polarization, thus locking large swaths of the U.S. workforce into jobs with stagnant wages, inadequate and costly benefits, increasingly erratic schedules, and poor working conditions.

Yet as the strength of laws governing labor relations and collective bargaining has diminished across most of the private sector, a wave of labor policy change has swept over states and cities, with the result that employment ordinances and public enforcement have become the predominant labor market institutions protecting workers, including low-wage workers (Galvin 2019).

While federalism is generally understood as being better for business's structural power (e.g., Hacker and Pierson 2002; Peterson 2012) than for labor's, in the past few decades it has also provided a significant opportunity for labor and its allies to improve employment standards. During the last decade, state and local policy entrepreneurs have succeeded in passing laws establishing minimum wages higher than the federal level in over 29 states and 44 localities²; enacting paid sick leave in 13 states, 19 cities, and three counties³;

passing domestic workers' bill-of-rights legislation in nine states and one city (Fernández Campbell 2019); winning "ban the box" laws removing conviction history questions on job applications across 35 states and more than 150 cities and counties (Avery & Lu 2020); passing predictive scheduling laws in six cities; and passing "just cause" employment protections for parking employees in Philadelphia and for fast-food workers in New York City. It is also of great significance that several cities have established new labor standards agencies to carry out enforcement of these laws.

In this paper, we examine the observable role of employer power and strategies in the creation of specific labor standards ordinances and in the implementation of those ordinances through administration and enforcement. By examining forms of business power and influence in the process of establishing employment standards and their implementation, we explicitly link forms of business power in the policy and administrative arena to the nature and extent of business power in workplaces.

As significant as the shift in employment policy to the local level is—as with any kind of policy change—the potential for these changes to fulfill their purpose to improve conditions and bolster workers' rights is contingent on two crucial but often overlooked factors: implementation and enforcement (see Luce 2004). Higher minimum wages and paid sick and safe time ordinances that are unique to a municipality necessitate regulations and a city-level administrative apparatus to administer and enforce them. Political players can reshape a policy by blunting or expanding its reach (who is covered), affecting implementation (how long it will take for the policy to be phased in), and shaping the monitoring of compliance (e.g., practices regarding citations, investigations, fines, and penalties). The predominant model of enforcement of employment rights is complaint-based, and complaint-based enforcement assumes that workers have full information about their rights, that they feel equipped and empowered to report violations, and that they are not deterred by employer reactions to their reports of violations. Given the imbalance of power between employers and employees within workplaces, none of these assumptions hold true in practice (Weil and Pyles 2005). In a 2009 national survey (Bernhardt et al. 2009), 43% of workers who complained to their employers about pay and working conditions were victims of illegal retaliation. When employers have more power in workplaces, such as during recessions, we find that violations increase and that complaint-based enforcement becomes even less effective (see Fine, Galvin, Round, and Shepherd 2020). Effective enforcement practices therefore depend on expanding beyond the narrow limits of complaint-based enforcement to practices that promote compliance independent of specific complaints.

The city of San Francisco in 2001 was the first in the country to establish a full-time agency for enforcing employment standards. After enactment of \$15/hour minimum wage and paid sick time ordinances over a decade later, Seattle, New York, and Los Angeles followed suit, establishing offices that now also boast significant staff and resources. Setting up and running each office required decisions such as which agency to house it within or whether it should be independent, how much money the office should receive, who should lead the office, what the other positions should be, and how staff should be recruited. Through the drafting and passage of minimum wage and paid sick and safe time ordinances as well as ordinances setting up the new offices, city councils can play a major role in determining

the legal authority of the offices with regard to intake, investigation, remedies, subpoena power, collections, and appeals and settlements. Mayors appoint agency leaders and oversee their decisions. Mayoral staff and agency leaders have a say in the legal powers of the agencies through administrative rulemaking and in establishing agency practices, including investigation protocols, application of fines and penalties, partnerships with community organizations, and use of “name and shame” practices in publicly identifying violators and their activities. City attorneys also play a role through their interpretations of the laws and the decisions they make about which cases to take to court and which decisions to appeal.

In this paper, we use comparative case studies of three major Democrat-controlled U.S. cities (Seattle, Los Angeles, and New York) in Democrat-controlled states between about 2010 and 2020 that not only expanded their employment protections but also established a local agency and directed substantial resources toward the enforcement of local employment laws. Drawing on public comments in city council hearings, mayoral statements, media coverage, city government documents, campaign donations from employers and employer organizations, and interviews with enforcement office leaders and staff, other city government officials, labor standards advocates, and employer advocates outside of government, we examine (1) the strategies used by employers and employer organizations to attempt to shape all parts of the process of enacting, implementing, and enforcing local employment standards, and (2) the ways city government officials construed business interests and the role of government accommodation of business concerns. We do not assume, as Hacker and Pierson (2002) caution against, that we can infer employer power necessarily from the alignment of employer positions and outcomes. Instead, for each city, after charting changes in the policy and implementation proposals and practices over time, we spoke with the key political actors involved in the process to understand their accounts of what produced those changes, and then we compared these accounts. This approach provided evidence beyond what types of employer actions could be observed in public forums and available records. We also attend to points where there is open conflict over employment standards and points at which there is little open contestation. As Pierson (2015) argues, the lack of contestation can reflect unequal power between parties and the operation of other forms of influence such as agenda control, non-decisions in response to anticipated reactions, and cultural manipulation. Consequently, instances when policymakers changed policy proposals to align with employer interests, in the absence of specific employer actions or advocacy, are informative. These types of changes illustrate the manner in which employers—and ideas about employers and business among elected officials and city bureaucrats—impact the outcomes of these employment protection efforts.

We pay special attention to forms of employer influence that appear related to the employers’ *instrumental power*—derived from direct influence through deploying resources in order to secure favorable decisions from politicians—and to their *structural power*—derived from the ability to withdraw capital and jobs and thereby affect the economy, a power that exerts pressure on government officials (see Block 1987). Hacker and Pierson (2002) posit that structural power is most important in setting the public agenda and ruling out policy options that are unpalatable to business, while instrumental

power determines the design of specific legislative proposals. Here, we first examine how these types of employer power in politics are manifest at the local level in cities with very particular economic profiles, and second, we extend the analysis of employer power beyond the legislative process to the process of implementation and enforcement. We attend to *when* these forms of employer influence appear in the process.

The concept of structural power includes both the ability of business to affect the economy directly and an ideational component: how policymakers and bureaucrats *think* about the structural power of business. This ideational component involves *beliefs* among elected officials that if businesses disagree with political decisions, the businesses will act in a way that significantly harms the state of the economy. Decision-makers actively construct an interpretation of the structural power of business (Bell 2012). This ideational component includes what Hacker and Pierson (2002) refer to as structural power as a signaling device: Threatened capital withdrawal is a signal that policymakers weigh relative to other concerns in pursuing a policy agenda.

In addition to these ways of thinking about the structural power of business already represented in the literature, the ideational aspect of structural power might be refined to include three other considerations:

- The ideational aspect of structural power can operate through *hegemonic beliefs*—widely circulating and shared beliefs— about the value of employer interests that policymakers and bureaucrats hold, along the lines of what is often referred to as the third face of power (Lukes 2004; Gaventa 1982).
- Policymakers can develop *anticipated reactions*—beliefs about what business might do in response to particular employment policies—that shape their actions. Policymakers might expect that employers and their advocates will be critical of their policy choices and speak out publicly against them.
- Political leaders may believe that the reactions of business to policy and implementation choices can impact the politicians' *political fortunes*.

These beliefs about the structural power of employers may come from employers explicitly raising the specter of capital withdrawal or from other sources that reinforce the hegemonic power of business in political decision-making.

Based on extensive evidence from these three cases, we make two points relevant to the literature on employer power in the political process.

1. *The value of being repeat players*: Concessions to employers through the policy and implementation process are largely not the product of campaign donations and the deployment of resources as typically described in accounts of the instrumental power of business. Instead, employers secure concessions through being repeat players in the policymaking and governance processes. Employers represent an enduring interest group to which mayors, city councilors, and agency officials feel they must be responsive (e.g., Hansen 1991), largely, in Seattle and Los Angeles, as part of upholding a deliberative political process and, in New York City, as paying heed to a powerful constituency (large businesses) or a constituency in need of protection (small businesses).

2. *The manifestation of structural power*: Three themes emerge about the nature of structural power in these cities during these periods:

- First, instead of being worried about capital flight, as described in previous literature on the structural power of business, the mayors and city councilors in these three cities were particularly susceptible to claims about businesses having to *close* in response to regulations. Employers and their advocates explicitly raised the specter of bankruptcy, but they were also aided by widespread hegemonic beliefs about employment policies like minimum wage increases and paid sick leave protections hurting businesses; for this reason, these arguments did not need to be made explicitly for policymakers and bureaucrats to be vigilant about the possible impact on business.
- Second, the structural power of and attention to small business concerns is particularly evident through the process of *implementing* local employment standards protections. In each of these cities, narratives about the value and valor of small businesses were widespread. The political invocation of small business can be thought of as a “spanning concept” (Hackworth 2007)—a concept with multiple meanings that are politically useful because different constituencies hear what they want to in those narratives.
- Finally, in each of these cities, mayors saw their stance on implementation of minimum wage standards and/or paid sick leave as having significant implications for business support of their political careers. Consequently, they often made decisions in the implementation process that weakened coverage and administration.

We now turn to the three cases. In Appendix A, we provide an overview of the technical issues at stake regarding these employment laws and their implementation. A detailed account of the specific changes to the ordinances for each city is provided in **Tables 1** and **3**. Details about the final statutory enforcement authority of each office—one dimension of the outcomes we are interested in—can be found in **Table 4**. Information about the political and economic context of each city is provided in **Table 5**, and information about the organization of business interests in each city appears in **Table 6**. We elaborate on our claims after we review the evidence from each of the cities. Given space constraints, the evidence we present below focuses on employer involvement in the *implementation* of these laws, but our argument is based on our analysis of the evidence of employer involvement in the legislative process as well.

Seattle

Between 2011 and 2015, led by Service Employees International Union (SEIU) Local 775 and a coalition of union, worker center, immigrant rights, and community organizations, Seattle became one of the first cities in the nation to adopt a municipal paid sick and safe time policy (2011), the first city to legislate a \$15 minimum wage (2014), and the second city to establish a powerful municipal employment standards enforcement agency (2015), which included significant funding to community organizations for outreach and education. Seattle’s successful campaigns demonstrated that labor could win, but that winning always

required concessions to business not only on policy but also on the implementation of enforcement authority and its exercise. These local policies represented a new frontier: They were complex, and the city was figuring out how to administer and enforce them in real time.

Mayoral support was instrumental to these policies moving forward. In 2013, in order to win the mayor's race against an incumbent who was considered to be considerably to his political left, Ed Murray needed to project himself as a progressive, even though his political profile during his many years in the Washington State Senate was as a moderate. When he ran for mayor, he allied with SEIU and campaigned hard for a \$15 minimum wage and the creation of an Office of Labor Standards; he was also endorsed by the Seattle Chamber of Commerce. From his years in the Washington State Legislature (1996–2013), he had many preexisting relationships with business and labor. Once in office, he continued to support the \$15 minimum wage while also stressing that he wanted to ensure that business would not suffer.

“The main thing I saw in how the business community operated from 2012 to 2015 was how disorganized it was,” said a director of a city-funded community outreach and legal support organization.⁴ In order to pursue a progressive local labor policy agenda and address business concerns, the mayor set up and supported deliberative stakeholder committees and privileged the concerns of employers who came to the table and remained throughout the process. Large employers such as Amazon and Microsoft were not part of this process, but the Seattle Chamber of Commerce, through which those companies sometimes pursued their agendas, was actively involved (see Table 6 for more information about the organization of business interests). Many restauranteurs who were active and engaged in civic life had relationships with elected officials, and these connections yielded particular attention to their needs in the policymaking process. One staffer speculated, “It is not because of donations that restauranteurs were influential, it is the interpersonal relationships that develop.”⁵

The depth of interest in employment standards legislation among sectors and businesses also varied based on the degree to which the business or sector was impacted by a particular policy, largely resulting from its size and predominant business and employment models. For example, while restaurants were most exercised about the minimum wage increases, the retail sector got up in arms about the city's fair scheduling ordinance. Fair scheduling—which we do not examine here—brought big companies and others who had been somewhat indifferent to paid sick leave and the minimum wage ordinance into open warfare with the Office of Labor Standards.

Types of employer influence over employment standards legislation and implementation

Seattle during this period had a progressive mayor and an overwhelming progressive majority on the city council, and public opinion in favor of employment standards policies was sky high (Rolf 2016). Nevertheless, major concessions were made to business both during and after the legislative process. Some of those concessions occurred through the

exercise of instrumental power on the part of business, particularly through behind-the-scenes lobbying. Most individual businesses, particularly the larger ones, consistently avoided the spotlight and did not want to go on the public record. In the words of one city government employee who was close to the process:

Businesses don't like going in front of council to protest these employment standards—that is just not their style. They will go into council members [offices] and schedule meetings once a week and visit each one, and they do that and will press and press and press and press....They keep at it.

Another mayoral staffer said, “Sometimes business went out of their way not to be on the record. You can't find any testimony because Starbucks never testified on anything. They would send letters directly to the mayor.”⁶ In contrast, labor, community organizations, and liberal allies actively lobbied the council and testified in public, in addition to engaging in behind-the-scenes politicking. Both sides felt they had direct personal access to the mayor. A mayoral staff member put it this way: “The mayor was seen as the moderating voice over the very progressive council, so we had more access to business. [Employers and employer advocates] would say, ‘Oh we can't even talk to the council...’”⁷ The mayor engaged in private deal-making behind the scenes with key individual companies, negotiating carve-outs and accommodations. Ironically, these carve-outs also made the laws far more complicated, which became a source of business complaints.⁸ Both sides were financially competitive in terms of contributions (total independent expenditures across Seattle elections exploded from \$556,385 during the 2013 election cycle to over \$4.4 million in 2019; labor had an edge in independent expenditures in 2013 but business had an edge in both 2017 and 2019⁹), and labor provided endorsements and volunteer muscle during elections. The abundant use of advisory councils composed of employers and worker representatives was crucial both for paving the way for these employment regulations and for concessions to employers. It was through these advisory councils that employers had a much more visible role in the process, allowing for many legislative changes.

But instrumental power alone cannot account for the types of concessions to employers in legislation and enforcement. The structural power of business—in particular a deep-seated narrative about the potential impact of employment protections on business solvency—conditioned every policy and enforcement practice beyond what can be explained by campaign contributions or lobbying efforts. A senior mayoral aide who was closely involved in deliberations at the mayor's office provides a sense of how these beliefs operated:

They [employers] wield a huge amount of power and don't have to do much. The business perspective is kind of the default even in progressive elected officials. It is the starting point of concern....They say, ‘Yeah, I want to do the right thing, but how do we address business concerns?’ This is the first thing on the top of their minds that gives business a lot of power....I see them being harder on their allies than business in some ways. The expectation is that if progressives want the policy, you have to come with your studies and your numbers and your hard data about why it is not going to harm business, and business can just rail and say, ‘I am going to go

bankrupt,’ and that is taken as just as valid.¹⁰

The quote above highlights how businesses’ claiming they would be forced to close, rather than threatening to move, was a key way that structural power operated—becoming the default in political decision-making. Although it did not prevent the bills from passing, it conditioned coverage and implementation of the ordinances in significant ways. Mayor Murray had built a reputation as a pro-business moderate in the legislature before he ran for mayor with strong labor support, and although he campaigned on the \$15 minimum wage and delivered on that pledge, he worked to preserve his public profile as a moderate, governing through tripartite commissions with strong business participation and promoting complex carve-outs and phase-ins. Based on our evidence, we conclude that the mayor’s protection of especially small business interests was due both to personal conviction and to future electoral ambition. As discussed above, the mayor and city councilors’ personal relationships with particular well-known small business owners and their concern for immigrant- and minority-owned small businesses (illustrated below) also contributed to modulation of implementation of employment standards.

Paid sick and safe time, minimum wage, establishment of OLS, and ‘harmonization’

In September 2011, the Seattle City Council passed a paid sick and safe time ordinance (PSST), guaranteeing all employees, whether full time, part time, temporary, exempt, or nonexempt, access to paid time off to care for themselves or a family member as needed. Enforcement was assigned to the Seattle Office for Civil Rights (OCR), with the intention that basic procedures would be modeled on those of the existing Seattle anti-discrimination ordinance. This choice of basing sick leave on civil rights enforcement had important ramifications for how this law and the minimum wage law that came after it were enforced. The administration pledged to do a “soft launch” of the law that would be focused on education and outreach, and this process became the norm for the other laws as well. The leadership of OCR was unfamiliar with employment standards enforcement but wanted the assignment in order to remain the premier enforcement agency. At the same time, OCR decided not to put many resources into enforcement of PSST: Management assigned a single person who was working 32 hours per week to enforce it. Personnel within OCR decided that, due to limited capacity, they would take an “advisory letter” approach.¹¹ Upon receipt of a complaint, a letter would be sent to the employer that reminded it of its obligations under the law and said that, *if* it were in violation, OCR would work with it to come into compliance. Despite being advised of the need to go further, the agency embraced the advisory letter approach and also rejected the suggestion that it engage in companywide investigations. If a complainant wanted to settle and also remedy violations affecting all aggrieved workers, then OCR could pursue a companywide remedy as a settlement term, but if the worker just wanted to get paid and move on, OCR would remedy the case only for that one person. As a consequence, OCR collected a very limited amount of back wages and penalties from violators. This process was in place until 2014.

After taking office in January 2013, Mayor Murray formed a tripartite committee, the

Income Inequality Advisory Committee (IIAC), and charged it with coming up with an actionable set of recommendations for increasing the minimum wage by mid-April. The committee was co-chaired by the president of SEIU Local 775, which was leading the fast-food-worker strikes, and the founder and chief executive officer of the Seattle Hospitality Group, a major developer and hotelier that owned the Space Needle, Seattle's most prominent landmark. While the IIAC was the public forum for deliberations between stakeholders, some of the most consequential work was really taking place behind the scenes (with, for example, Starbucks and restauranteurs) as the mayor worked to accommodate key businesses so they would support the \$15 minimum wage. The accommodations included a health care carve-out that allowed businesses to count their spending on health care toward the minimum wage, a small business cutoff number set at 500 employees, and tip credits. On the other hand, over the objections of business representatives, labor and community advocates won joint employer liability, which enabled the city to hold multiple entities, including those that were not necessarily the employer of record, liable for violations. They also won the option of expanding from seeking redress for a single complainant to conducting a companywide investigation and providing remedies to all affected workers. One key city council staffer said, "I would say that the center of the business community felt pretty good. This process stuff works: Ed Murray was a good mayor who used this kind of consensus-based process and got some really big political wins." Murray's proposal was heard by the city council's Select Committee on Minimum Wage & Income Inequality on May 19, where it passed unanimously and was then adopted by the full council in a 9–0 vote. Mayor Murray signed it into law on June 3, 2014.

Another tripartite body with a similar mix of labor, business, and community and public interest groups set up by the mayor early on was the Labor Standards Advisory Council (LSAC). Although the mayor did not invest as much authority in it as in the previous advisory body, members worked hard developing detailed recommendations on how the city would administer PSST and the \$15 minimum wage. In the initial discussions, SEIU 775's two primary demands were to create an office of employment standards and to fund worker outreach. The Seattle Restaurant Association responded that it needed time to get used to the law, that there should not be fines right away, and that it didn't know whether it wanted an employment standards office. According to a former senior staff member at a union, "We got what we wanted with the office, but we had to scratch and claw for outreach [to employers and employees about the laws]. We had to frame it around education, not enforcement." At the end of the day, the LSAC recommended the establishment of a single entity that would house, implement, and coordinate all compliance, education, outreach, and enforcement functions. It advocated for a strong focus on education and supported an extensive outreach program through partnerships with organizations that would tailor their work to specific audiences and demographic groups. It called for strong and effective enforcement powers and practices that would focus investigations and penalties on habitual or egregious violators and systemic violations.

Mayor Murray proposed the establishment of the Office of Labor Standards (OLS) within the Office of Civil Rights in mid-September 2014; it would be empowered to "investigate

and pursue administrative enforcement actions when wage-theft complaints are made by workers, with the aim of restoring any back wages and benefits they earned but were unpaid” (Murray 2014). The mayor pledged to take an approach to employment standards that emphasized “outreach and education.” A few sentences from an internal mayoral staff memo give a good sense of the stance the mayor’s office was taking:

Emphasis this first year is about education and outreach. If employers make mistakes in these initial months, OLS’s mission is not to penalize employers for their misunderstanding of the law, but only to instruct them and to ensure workers are properly compensated. It is envisioned that only where it can be shown that employers continued with a bad practice after instruction from OLS or other egregious situations where an employer will be penalized. OLS should be looked at as a resource for employers, not an adversary.¹²

The mayor’s concern with the well-being of business during the enforcement process was evident, reflecting the ideational structural power of business either in terms of hegemonic beliefs, the power of small business narratives, or calculations about implications for his future political fortunes.

The Greater Seattle Business Association thanked the city for the opportunity to help shape how it would implement and enforce its employment standards ordinances and supported the mayor’s choice to establish the OLS within the Office of Civil Rights. The United Food and Commercial Workers (UFCW) Local 21 supported the proposal but urged stronger penalties to strengthen deterrence. The mayor’s early preference for education and outreach over enforcement was also manifest in the budget allocations¹³—OCR and then OLS would have more non-investigative positions on staff than investigators for 2014 and 2015, only tipping the balance in favor of investigators in 2016—and only by one.

On November 24, 2014 the council voted to create an OLS that would “provide a centralized focal point for the City’s efforts on labor standards” and that would have three main functions: the promotion of compliance with labor standards through outreach and education, collection and analysis of data on the city’s workforce and workplaces, and administration of the city’s labor standards ordinances.¹⁴ A month before the vote to establish OLS at OCR, the city auditor¹⁵ presented findings from an audit of OCR’s initial PSST enforcement, which as discussed above relied primarily on a non-adversarial advisory letter process rather than formal investigations and sanctions. The city auditor found that while some advisory letters resulted in business owners taking corrective actions such as agreeing to pay back wages owed to employees for sick and safe time leave, OCR did not routinely address individual employee or companywide remedies, such as back pay and penalties for workers for paid sick and safe time requests that were denied by employers. A more robust investigation capacity, the auditor advised, would require increased enforcement staff. In effect, the city auditor was putting pressure on OCR to increase the efficacy of its employment enforcement practices.

The auditor’s report had a significant impact on the council’s OLS proposal. The council advocated staffing up the enforcement side more quickly than the mayor’s office had been recommending, and asked the mayor’s office to prepare legislation that would increase

penalties and remedies for violation of employment laws. In a major win for SEIU and the larger labor/community coalition, the council also supported significant funding for partnerships with community organizations to engage in outreach to workers, identify violations, and make referrals to OLS. While the mayor's budget proposal provided modest funding for business outreach (\$100,000 in 2015 and \$50,000 in 2016), the council allotted a million dollars over two years (\$300,000 in 2015 and \$700,000 in 2016) to conduct outreach to workers through partnerships with community-based organizations, a proposal first put forward by labor and worker advocates.

In November 2015, the mayor's office proposed an ordinance that would harmonize the city's four existing employment laws being enforced through the OLS (paid sick and safe time, job assistance, minimum wage, and wage theft) in terms of penalties and enforcement procedures. The bill was initially undertaken to appease business concerns because, although the paid sick/safe time and job assistance ordinances had been originally modeled on the city's anti-discrimination laws, the four policies had different enforcement powers and remedies. The mayor's office, the city council, business, labor, and community groups all agreed that the legal practices and administrative procedures needed to be streamlined. The 175-page harmonization ordinance developed by Dylan Orr, the dynamic first director of OLS, and Karina Bull, OLS policy manager, who worked closely with the mayor and city council staff, did create a uniform set of enforcement procedures for all four policies, but it also significantly strengthened the agency's legal powers. Over strong objections from the main business associations and repeated threats to blow up the entire ordinance, the harmonization bill granted workers a private right of action to sue their employers for violations. Early in the process the mayor's office explored many strategies. "Business was against so much of it," a policy advisor recalled, "but the [proposed bill] was so big, the policy was huge...five hundred pages, so they had to focus on the most important things to them." When asked to elaborate, the advisor offered the example that business was able to get the office to drop a proposal for a "hot goods" provision, modeled on the Fair Labor Standards Act, that would have allowed the city to seize goods manufactured in violation of the minimum wage law. "They had a fit about [the hot goods provision], and we were like, in the grand scheme of things, this isn't the sword to fall on." The bill was passed unanimously by the city council just over a month later.

Employer influence in implementation

In Mayor Murray, we see a tension between strongly supporting employment standards and weighing the concerns of the business community; such continuous balancing reflects forms of the ideational structural power of business. Murray used the language of "soft launches" and "education and outreach" because he believed in the practices and because they were tactically effective. But he received strong pushback from the city council, which wanted to engage in more robust enforcement, and from the city auditor, whose studies provided evidence of the need for such enforcement. The mayor walked a fine line: proposing to establish OLS as its own standalone office in the executive department (passed by the city council in November 2016) and selling it as necessary to support business compliance. He put significant funding into the business education and

outreach work, but his staff also developed and advocated for strong employment policies as well as enforcement. OLS had the support of the mayor, but his administration was also keenly sensitive to the concerns of business—especially small business.

We see both the influence of direct employer intervention in shaping enforcement and the influence of small business narratives. For example, in the early days of becoming an independent agency, OLS staff had to recreate the entire intake, complaint, and investigation protocols from scratch; they had been using the existing Office of Civil Rights' enforcement tools. Based on the city auditor's report and their own views, the city councilors most involved in implementation pushed for a much more robust enforcement approach, and this was reflected in the system established by OLS. For example, businesses named in complaints were mailed a charge letter that looked like a legal document or subpoena. Several business organizations complained to the mayor that the approach had the effect of presuming guilt, and the mayor's office subsequently ordered the OLS director to undertake a thorough revision of the forms. In his tacking back and forth to accommodate business concerns, we see the ideational power of small business narratives both in terms of how they influenced the mayor's personal views as well as his sense of what would be good politics for his career.

OLS enforcement managers were particularly concerned about the disproportionate numbers of cases they were opening against minority-owned small businesses: "The thing I struggle with most is the complaints that are coming to us from small minority-owned businesses," an OLS enforcement staff member said. Another enforcement staff member worried about this as well: "One of the things that makes me feel most guilty about the work done so far is that the vast majority of respondents are small businesses owned by people of color or immigrants. It feels like most of our cases are pointed at people who didn't know about the ordinance, didn't know how to implement it, or didn't know how to run the business..." Both staff members pointed to the city's Racial Equity Toolkit, which requires agencies to scrutinize their work from a racial equity lens.¹⁶ The agency staff empathized with small minority- and immigrant-owned businesses and were struggling to balance this concern with the need to ensure that the employees received the wages and benefits they were owed. In other words, narratives about the value of small businesses, especially minority- and immigrant-owned businesses, translated to worry about protecting employers even among agency staff committed to worker protections.

OLS has funded several of Seattle's ethnic chambers of commerce to conduct education and outreach with their constituents, but the initiative has gotten a mixed reception. And staff members' dual briefs as educators/outreach workers on the one hand and enforcers/punishers on the other often leave them often feeling stuck in the middle. A former OLS official pointed to the "schizophrenic mission" of the agency:

We are both the trusted teacher and the cop on the beat, and it is a huge challenge because of the obvious reason. Businesses don't feel supported when they know you can lower the hammer on them. They want us to be, especially small and medium-size businesses...their HR department and employment lawyer.¹⁷

While working for the agency, this official had managed to persuade Mayor Jenny

Durkan's office of the importance of "naming and shaming" (publicizing employers who violated employment standards laws) as a deterrence strategy, and OLS often mentioned employers' names in press releases about major settlements. But after the employee left the office the city discontinued this practice.

Summary

The debates over paid sick and safe time, minimum wage, harmonization, and Office of Labor Standards ordinances in Seattle highlight several important themes about business influence. Business won major concessions in the paid sick and minimum wage policy process but had to accede to the general policies. It won comparatively few concessions in the harmonization policy, although some of the employment standards rules were revised to give business more time to produce information. It exerted direct influence through the advisory councils as well as through off-the-record meetings with Mayor Murray. Elected officials' concern for the interests of the business community—a reflection of the ideational structural power of business—was reflected in the approach to enforcement as one of education and outreach instead of punishment and deterrence. A concern among agency staff about the impact on small, minority-owned businesses also propelled an interest in directing resources to education and outreach in particular. At the same time, while there was a catechism of sorts around publicly and repeatedly acknowledging the importance of business to Seattle, it seems that paying heed to this dogma provided cover for elected officials and worker advocates to move their policy agenda.

Los Angeles

As Peter Dreier, John Mollenkopf, and Todd Swanstrom document in *Place Matters* (2014), a feature of deindustrialization across the country has been the erosion of the concentration of local, elite business power. In Los Angeles, local business power is no longer unified and coherent; for example, the organizing body responsible in the past for shaping so much of the city, the Committee of 25, is no longer an important political force, and attempts to reorganize the group have fallen short. Now, business elites in the city largely work for employers that are not headquartered in Los Angeles, and, since their time in the city is part of their journey up the corporate ladder, they have far less of a stake in what happens locally than did business elites of earlier generations. Business power in Los Angeles continues to be strong; for example, the Central City Association, which represents developers, has been very successful in stymying various housing and zoning-related reforms. However, these business interests are now fragmented and divided among various lobbying groups that often do not coordinate with one another. One lobbyist for an employer organization during the minimum wage and paid sick leave ordinance debates characterized the situation in L.A. as "organized labor and unorganized business."¹⁸

Without a unified businesses community advancing a coherent set of priorities, new political space emerged in Los Angeles for progressive labor-related organizing (and for

far-right political activity). While tenants' rights reforms have fallen short due to the political strength of the real estate industry, Los Angeles has become an extremely favorable city for workers' rights, as reflected in strong public support for labor protections from recent mayors and city council members.

One business sector that has remained influential in Los Angeles city politics is the restaurant industry. A labor advocate noted that the California Restaurant Association continues to be extremely well-organized and effective in shaping statewide legislation—often by claiming that it represents small businesses, particularly minority-owned small businesses.¹⁹ Another labor advocate maintained that restaurant industry representatives in L.A. were deeply involved in the minimum wage fight both in public testimony and behind closed doors,²⁰ an assertion affirmed by a senior city council staffer.²¹ Restaurant associations consistently made the case that restaurants were largely small businesses that were just scraping by, an argument that garnered a lot of sympathy from elected officials.

Types of employer influence over employment standards legislation and implementation

Despite relatively weak employer organization, employers and employer groups in L.A. were able to use the legislative process to win concessions on provisions of the minimum wage and paid sick leave ordinances, and they secured significantly delayed phase-in periods for employment standards and no exemption of collective bargaining agreements from the law. As one worker advocate put it, “they tried to slow it down—death by a thousand cuts—because they knew they didn’t have the [political] power to defeat it.”²² A former mayoral staff member observed that business lobbyists have enormous influence in city hall, with direct lines of communication to elected officials—lobbyists had the officials’ cell phone numbers and used them. Business advocates were successful when they were reasonable and asked for concrete changes, as opposed to a wholesale rejection of proposed legislation.²³ For example, the restaurant industry, while it did not get all of what it wanted, was important to introducing a distinction between small and large businesses for the phase-in of minimum wage increases. As in Seattle, the use of narratives about protecting small businesses was a core strategy for shaping employment standards policy during the public hearings, and it made salient the structural power of business in a politically palatable way.

Implementation of the law in L.A. has been weak, due in part to bureaucratic idiosyncrasies and in part to a lack of political will for more aggressive enforcement. While Mayor Eric Garcetti proposed the minimum wage increases and supported the paid sick leave initiative, his support did not translate into political backing for enacting robust enforcement practices in the Office of Wage Standards (OWS) once it was established. A combination of forms of ideational structural power, including a general concern among both elected officials and agency leadership about ticking off business, affects the day-to-day enforcement practices within the office.

The following section describes the passage of the minimum wage and paid sick leave

ordinances in Los Angeles, then turns to the story of how administration and enforcement proceeded.

Employer influence in implementation: Minimum wage and paid sick leave policy

In 2014, Mayor Garcetti proposed raising the minimum wage incrementally to \$13.25 by 2017, after which it would be indexed to the regional consumer price index. By the time the minimum wage ordinance was passed in 2015, employers in Los Angeles had won two key provisions: separate minimum wage schedules for employers with 25 or fewer employees and those with 26 or more, and an extended phase-in period. According to one senior city council staff member closely involved in the negotiations, the small versus large business distinction, with different phase-in schedules, was the “restaurant accommodation.”²⁴

When the Los Angeles City Council began considering paid sick leave legislation in the city, it was against the backdrop of a recent California state law requiring three days of paid sick leave a year to go into effect on July 1, 2015. Business associations used the existence of the state law to argue that there was no need for a city ordinance, particularly since employers would already be dealing with the new costs associated with the L.A. minimum wage and state paid sick laws. The council ultimately passed an ordinance, modeled closely after the state law, that entitled employees to 48 hours (i.e., six days) of leave per calendar year; this was a compromise from a proposed nine days supported by labor advocates. A separate motion to provide a slower phase-in for small businesses passed unanimously.

At the time of the hearings on increasing the minimum wage, in June 2014, Councilmembers Gil Cedillo and Paul Koretz submitted a motion to draft a wage theft prevention ordinance that would criminalize wage theft and provide for enforcement mechanisms. While representatives of worker centers and other community organizations defended the need for strong enforcement measures in public hearings about the minimum wage ordinance, business owners and associations were far less likely to bring up enforcement, and, when they did, it was briefly. Two business organizations—the Los Angeles Area Chamber of Commerce and the Central City Association—mobilized to shape enforcement using the legislative process, both before and after the passage of the enforcement ordinance. The Central City Association was the only business association to register lobbying activity specifically on enforcement issues, and it paid a consulting firm \$13,000 to assist.²⁵

Both of these organizations, while arguing that they supported enforcement, suggested that any enforcement division must be careful to punish only bad actors and not “well-meaning” businesses. Ruben Gonzalez of the L.A. Area Chamber of Commerce argued that the proposed enforcement ordinance laid out a system that was “rife for abuse” and argued that the appeals process was limited, that the amount of power given to hearing officers was too large, and that small business owners would be disadvantaged because they wouldn’t have the resources to pay attorneys to go to court for months to challenge findings. None of these points were reflected in the Economic Development Committee’s

recommendations about the drafting of the ordinance. Also, though the L.A. Area Chamber of Commerce and the Central City Association called for a working group of advocates, including the business community, to figure out the best system for enforcement, the request was not formally realized.

After the passage of the minimum wage and enforcement ordinance in June 2015, the Bureau of Contract Administration (BCA), the executive agency responsible for contract compliance in the city and the one where the living wage enforcement mechanism had finally settled after moving among executive agencies, submitted an implementation plan for the new Wage Enforcement Division (later to be renamed the Office of Wage Standards). The BCA anchored its procedures and practices on precedent from agencies in San Francisco and Seattle, and it crafted its staffing and funding recommendations to focus on four key components: the informing of the community, intake concerns, investigation of complaints, and implementation of corrective actions. After submitting their first implementation report, leaders from the BCA met with the Los Angeles Coalition Against Wage Theft, the central organization established in 2009 advocating for wage theft enforcement in the city, and then with a number of employers and employer organizations: the Los Angeles County Business Federation; Mercury LLC (a firm representing the California Restaurant Association, which registered to lobby about the minimum wage ordinance); the Central City Association (which registered to lobby against the minimum wage ordinance and the enforcement ordinance); and Veronica Perez and Associates, a consulting firm representing McDonalds and the Central City Association (and which registered to lobby on wage and worker policies). After these meetings, the BCA submitted an updated implementation plan that shifted its recommendations for full staffing from four years to three. The updated plan also increased the number of staff, the administrative classifications of staff, and the budget for education and outreach (from \$700,000 to \$1 million annually, justified by “additional needs for services in the areas of translation services, labor law consulting services, and collections assistance when employers fail to make timely payments on wage and penalty assessments”).²⁶

A lobbyist who worked at a key employer advocacy organization during this period said that business “got rolled” on the employment standards legislation but not on enforcement. The lobbyist described direct pathways of communication both to John Reamer at BCA and to the chief of staff of the mayor and the city attorney. In initial conversations with Reamer, the lobbyist had emphasized the need for outreach:

Our biggest concern was that the companies know about these laws and changes, understand ways to remedy mistakes....Labor...got their big trophy [legislation], so I don't think they were quite as concerned about that [enforcement]. We were pushing for bringing people in to educate businesses on their rights and responsibilities.

The lobbyist was interested in a commitment from Reamer to answer businesses' questions regarding implementation of the law: “Members are going to have a lot of questions—how are we going to get them answers in a timely way?” He characterized the communication and access to the BCA as good compared to other city agencies.²⁷ In addition, an early legal interpretation by the city attorney's office that an employer's failure

to pay overtime could not be enforced as a minimum wage violation was viewed as a significant victory for business.

The choice of specific enforcement practices in the OWS was shaped in part by political influence from the mayor's office. The mayor, though occupying a structurally weak position in city government relative to the city council, is charged with enforcement oversight. According to a labor advocate, the mayor "runs the agency, but the city council still has its hooks in the agency."²⁸ When asked about the OWS implementing proactive investigations of target industries, one staff member stated that the office and BCA leader Reamer were "waiting for some direction from the city council and the mayor's office."²⁹ Staff of the mayor's office reported the office had been "very involved" in the outreach campaign of the OWS and reviewed the materials and general strategy. These staffers also said that the mayor, whose office was "big on data-driven management," looked at quantitative reports from the OWS of the number of complaints, questions and inquiries received about the law, and the turnaround time on complaints on a weekly basis.³⁰

Employers pushed back against the specific enforcement practices of OWS. For example, a BCA staff member reported that in meetings between OWS and BCA leaders and employer organizations, including the Valley Industry and Commerce Association, about the offices' minimum wage enforcement practices, BCA leaders were "beat up" because the employers' groups were "very upset with what we were doing."³¹ The mayor's office has been closely involved in the work of the OWS—for better or worse, according to advocates. For example, the mayor's office conducted roundtables with restaurant owners to better understand the impact of the minimum wage increase on restaurants (as a form of "outreach that really comes more from our [the mayor's] office to industries that are impacted in ways that we didn't foresee"), and feedback from those roundtables went back directly to the OWS. One labor advocate noted that, while the mayor's public support for employment standards was important, there was not sufficient political support for an aggressive approach to enforcement: "John Reamer is right that he knows the mayor does not have his back in some of these enforcement strategies."³² Another labor advocate argued that the mayor construed business reactions to these employment standards as relevant to his political fortunes: "[Garcetti] is trying not to piss too many people off on his way to higher office; he is not leaning into wage theft enforcement, because that means he has to cross swords with the business community."³³

The consolidation of power by then-City Council President Herb Wesson—who played a pivotal role in passing minimum wage, paid sick leave, and enforcement provisions—posed an insurmountable obstacle to the efforts of other councilmembers to push for robust enforcement because, according to a labor advocate, it was not at the top of Wesson's crowded agenda. Another advocate noted that the city council could have a good deal of power over enforcement, but that it is "not gonna do it unless we go to them and say you need to make sure [BCA] does this."³⁴ The mayor's staffers reported that enforcing the minimum wage while balancing the needs of the economy is a "delicate dance, which is why we're having difficult conversations with business owners, but the mayor has made clear that an honest day's work deserves honest wages."

Attention to the "delicate dance" has translated into a general orientation within the BCA

toward the OWS maintaining neutrality and appeasing both sides—employers on one and labor unions and worker advocates on the other. As one BCA staffer put it, “Our office’s [BCA] gift to the city is walking the tightrope [between employer and employee] well. We were fair to both [union and business] about assessing penalties or doing restitutions, and we worked hard at being fair so that our decisions didn’t favor one or the other.” The staffer went on to say, “That behavior worked out for us in implementing minimum wage as well because we didn’t side just with the activist groups, the CBOs [community-based organizations] who wanted a lot more enforcement, and we didn’t just listen to businesses; I feel like we went down the middle ground.”³⁵ Deference to business, particularly through an ethos of neutrality, within the enforcement agency itself is the backdrop of day-to-day decisions about enforcement practices.

Summary

A lack of coordinated effort against the minimum wage and enforcement and strong support for the policies in the city council and from the mayor translated into relatively few legislative gains for employers and their advocates. They did, however, secure a slower phase-in period for the minimum wage, differentiation in the timeline by size of the employer (though with a much lower threshold for small businesses than in Seattle), and a number of carve-outs.

Various forms of employer influence profoundly shaped the administration and enforcement of the laws. Employer involvement through lobbying and existing relationships meant that elected officials were very willing to provide accommodations to business, both during legislation and implementation, and translated into an emphasis on education of employers during implementation. Elected officials’ high levels of trust in the leadership of the BCA has meant that the city council is less involved in implementation than it might have been. And elected officials have failed to provide political support for robust enforcement practices and, according to some, have even exerted pressure against them, a stance that some key actors interpret to be the result of a mayoral calculation about how business might impact his political fortunes.

New York City

In New York City, following the 1963 case *Wholesale Laundry Board of Trade, Inc. v. City of New York*, municipal minimum wage protections have been interpreted by courts as preempted by the state minimum wage law. So, worker advocates focused instead on paid sick leave.

An important part of the story of paid sick leave standards in New York City involved the transition in January 2014 between Mayor Michael Bloomberg, who had served three terms as mayor from 2002 to 2013, and Mayor Bill de Blasio. Bloomberg, a Democrat before and after his term, was the founder, majority owner, and former chief executive officer of Bloomberg L.P., a financial information firm, and had deep ties to large, elite employers in the city. De Blasio spent seven years as a city council member and served as

New York City public advocate from 2010 to 2013. In both roles he championed the causes of small businesses, especially immigrant- and minority-owned businesses, making it part of his political identity. As a mayoral candidate, he ran on a platform of addressing persistent economic inequality, and as mayor he promised to make “NYC the fairest big city in America.”

In contrast to Seattle and Los Angeles, large employers in New York City, largely under the aegis of the Partnership for New York City, an organization composed of several hundred business leaders and companies, including large corporations headquartered in New York (e.g., Bloomberg, Bank of America, Citigroup, Deloitte, J.P Morgan Chase, and the New York Times) and headed by Kathryn Wylde, played a much more active role in the trajectory of employment standards legislation and implementation. In particular, they helped organize small and medium-sized businesses against the paid sick leave legislation.

Types of employer influence over employment standards legislation and implementation

The passage of paid sick leave protections in New York City highlights several important themes about employer power. First, the mayor’s orientation to and perception of the business climate of the city is an essential element in shaping legal protections for workers. Under Mayor Bloomberg and City Council Speaker Christine Quinn, paid sick leave protections were stalled, and employer advocates gained many concessions that significantly weakened the proposed legislation; the bill that passed under Bloomberg and Quinn was a watered-down version of that first proposed by Councilwoman Gail Brewer in 2009. An alliance between big business organizations and small businesses and their organizations facilitated the pushback against the more robust protections. However, after de Blasio’s election and the election of progressive advocate Melissa Marc-Viverito as speaker, the council in short order passed a new version of the law that restored most of the protections of the original 2009 proposal. The second theme emerging about employer power is how large businesses use the rhetoric and political cover of small businesses to their advantage. Though big businesses were largely unaffected by the proposed legislation (many of them already provided sick leave, and they had the resources to accommodate paid sick leave), they saw the fight as a referendum on the business climate in New York City, and thus were closely involved in the process. The third theme to emerge is that attention to the needs of small businesses from the mayor and other city government employees can be important in shaping the administration of employment protections, as indeed it was within the Office of Labor Policy and Standards (OLPS).

It is important to note that even in the significantly altered political climate under de Blasio and Marc-Viverito, employers still won concessions. For example, in his revised paid sick leave legislation, de Blasio failed to include a private right of action for employees—something that business organizations strongly opposed during the several rounds of city council committee hearings under Bloomberg/Quinn. With regard to

enforcement, while de Blasio's choices for leadership of the agency demonstrated a commitment to robust enforcement of employment standards, his concern with reducing regulatory burdens on small businesses translated into instructions to both the enforcement agency and the administrative tribunal that adjudicates decisions for the agency that made enforcement less robust.

Employer influence in paid sick leave policy implementation

The paid sick leave ordinance (the Earned Sick Time Act) passed in June 2013 and was amended in February and March 2014, after de Blasio's inauguration, and again in November 2017. The ordinance creating the Office of Labor Policy and Standards passed in November 2015. Along the way, employers and employer organizations mounted challenges to how the law would be enforced and by whom. Some concessions to employers about enforcement were made in the process of negotiating over legislation. Other concessions were longer term: Arguments business raised years earlier became embedded into new drafts of legislation and into how implementation occurred. Importantly, some of the ways in which enforcement authority fell short of the goals of labor advocates stemmed from choices guided by Mayor de Blasio. Employer challenges focused on five key issues: the Department of Health as the administering agency, the severity of fines, the administrative cost and burden of recordkeeping, the private right of action, and the burden of employment protections for small businesses and the need for resources for outreach to these businesses.

Employers and employer organizations strenuously advocated against housing enforcement of the law in the Department of Health, which had a negative reputation among businesses given its role in conducting business inspections. Beginning in 2013, with an amendment that located enforcement authority within the Department of Health, business barraged the city council with objections. Linda Baran, president and chief executive officer of the Staten Island Chamber of Commerce, speaking on behalf of the 5 Boro Alliance (an alliance of borough chambers of commerce formed out of opposition to the paid sick leave bill³⁶), argued:

What does the Health Department have to do with regulating labor issues? This is a Department who many of our Council Members claim overregulating and charging exorbitant fees at restaurants to the tune of \$52 million in 2012. Business will be subject to audits, inspections, onsite investigations by the Health Department and this bill will provide costly penalties up to \$5,000 and we have a Department of Labor, and it is at the state level.³⁷

Baran, in illustrating the nature of the Department of Health's reputation among businesses, echoed a common business refrain that enforcement should be conducted at the state level. Another member speaking on behalf of the 5 Boro Alliance—John Binizio, a Bronx business owner and chamber member—took issue with “the Department of Health[s] very intrusive fining power over every business in the city,” claiming it was a mechanism for the city to make money on the backs of small businesses.³⁸

Councilmember Dan Halloran, Republican from Queens, suggested that the enforcement power might be better situated in the Department of Consumer Affairs (DCA), the city executive agency tasked with monitoring violations of consumer protections. Labor advocates, who had originally supported locating enforcement in the Department of Health, were not opposed to moving it to the DCA, and ultimately it was.

The choice of the DCA was not, however, without controversy, in particular from de Blasio himself. In June 2013, the *Daily News* published an “expose” of the DCA’s use of fines, claiming that the agency had a “secret quota system for violations” that “slaps business owners with sky-high fines” (Gonzalez 2013). While the DCA vehemently denied this, the article cited a study conducted by de Blasio, as public advocate, in February of that year that found a 70% increase in the number of DCA inspections between fiscal years 2002 and 2012—from 40,724 to 77,481. Importantly, the department’s enforcement seemed skewed against small, minority-owned businesses, as evidenced by the fact that the number of inspections spiked in all the outer boroughs but declined 14% in Manhattan, where most high-end businesses are located. The article quoted de Blasio as saying, “Before an inspector even walks through the door, the fix is in.” This orientation toward the DCA as biased against small businesses would inform a number of de Blasio’s enforcement-related decisions.

When de Blasio introduced the revised paid sick leave legislation after his inauguration, he kept the enforcement powers in the DCA (though with a provision that he could move it to another agency if he chose) and expanded the explicit authority of the DCA to initiate investigations and issue notices of violation based on those investigations. In defense of locating enforcement in the DCA, the new deputy mayor of housing and economic development, Alicia Glen, argued that it was the best agency for the job because it was the one that most directly engaged with, and had a productive and supportive relationship with, small businesses.³⁹

In response to business community pushback on the enforcement provisions of the new bill, it was amended to include relatively minor concessions while leaving the basic enforcement provisions intact. The amendments clarified that the department and employer must agree on a time of day to review records during an inspection, waived penalties for the first six months for “newly implicated” businesses (those with under 20 employees and manufacturers), and reduced the statute of limitations for filing a complaint from three years to two.

A key pro-worker provision missing from de Blasio’s bill was a private right of action, and its omission was one of the most significant concessions to business interests. In hearings about the proposed legislation under Speaker Quinn, a representative of the 5 Boro Alliance argued that having a private right of action would cause “frivolous private actions which would further add to the court system’s backlog,” a regular refrain throughout the hearings from, for example, representatives of conservative think tanks and the New York State Restaurant Association. After the new administration took over, the new, progressive city council, led by Speaker Mark-Viverito, challenged the lack of a private right of action in hearings on the revised bill, but Deputy Mayor Glen argued that a private right of action was not necessary because “DCA is confident that [it] will successfully mediate complaints

when they come into the agency.”⁴⁰ In interviews, people familiar with de Blasio’s thinking felt that he did not see a private right of action as important to the protection of employment standards, regardless of the appeals of labor and worker advocates to the contrary. One suggested that for de Blasio, it was an easy concession to business advocates. To underscore how central enforcement staff saw the option for a private right of action, when one OLPS staff member was asked about the legal authority the office would need to pursue effective enforcement, a private right of action for paid sick leave was the first provision to come up.⁴¹

The new council, while supporting the bill and grilling agency officials on the lack of a private right of action, repeatedly raised the issues of small businesses throughout the hearings. Councilmembers’ emphasis on the need for outreach to small businesses was echoed in Glen’s portrayal of the DCA as sympathetic to small businesses and in the proposed direction of resources toward outreach and the proposed outreach partnership with the Department of Small Business Services. The DCA commissioner at the time, Alicia Pico, noted the DCA’s focus on mediating with businesses and struck a conciliatory tone about the approach the agency would take to the enforcement of paid sick leave: “...we are really good at mediating. So when, if somebody happen[ed] to come in and complain about business, we use our mediation tools. We don’t issue violations. We mediate, go back and forth. If the business makes it right for the person that is complaining, no violations are issued.”⁴²

According to those familiar with the DCA, reforming the reputation of the agency, especially among small businesses, was an important goal of the new mayor. This attention to the concerns among small business owners was also reflected in the mayor’s choice for DCA commissioner. In announcing the appointment of Julie Menin, a regulatory attorney and former small business owner herself, de Blasio emphasized the economic benefits of small businesses and an approach to them that was not centered on fines: “Julie understands that small businesses are the key to economic growth in our city—and I know she will apply regulations with public safety, *not city revenues*, in mind” (Office of the Mayor 2014a; emphasis added).

The rhetoric regarding a conciliatory approach to enforcement of paid sick leave from the DCA was pervasive and slowed down initial enforcement of the law. Menin’s appointment was followed by an announcement of more than 20 reforms to DCA practices to reduce the burden on small businesses (Jonas 2014). These included reducing the number and size of fines, improving transparency, and providing inspections in a preferred language. De Blasio’s proposed budget indicated that the city planned to collect 8% less in total fine revenue over fiscal year 2015 than it collected in 2012 (\$789 million versus \$859 million) (Office of the Mayor 2014b). Labor advocates noted that there was a significant delay in the actual enforcement of the paid sick leave legislation, as the DCA spent the first six months on employer and employee education instead of on enforcement, with the result that initial violations were not punished. Labor advocates had a series of meetings with Menin to inform her that the strategy was not working and that workers were not being heard or compensated.⁴³

Office of Labor Policy and Standards and implementation

The later legislative effort to establish a designated office for enforcing employment standards—the Office of Labor Policy and Standards—faced no public business or employer opposition, and de Blasio signed the legislation into law on November 30, 2015. In stark contrast to the conciliatory tone toward business struck by DCA leaders in hearings around the creation of the office, OLPS messaging about the agency’s job and responsibilities explicitly affirms the purpose of the office as protecting the rights of workers. As one OLPS staff member put it:

This office is not neutral, I tell people that all the time, in meetings....I appreciate the instinct to say that “this is government, we have to be fair,” but when you have an affirmative protection, enforcing law that affords rights to a group that is vulnerable, when you’re reversing a power dynamic, being fair is enforcing the law....It isn’t an employer saying, ‘Oh, you should’ve gotten sick time, sorry, next time’; that’s not how it works. [They were] supposed to have given the sick time already....This is a legal right.⁴⁴

De Blasio’s appointments were crucial to fostering such an orientation toward enforcement of employment protections, given that the background of DCA and OLPS leadership and staff was in worker protection and advocacy, in contrast to the Los Angeles OWS, where leadership and staff did not have such a background. In May 2016, de Blasio appointed as DCA commissioner Lorelei Salas, a housing, immigration, and employment lawyer who worked for years on behalf of immigrants and refugees, was a former senior manager at the New York State Department of Labor, and served as an administrator at the U.S. Department of Labor’s Wage and Hour Division under President Obama. In August 2016, de Blasio appointed Liz Vladeck, labor lawyer and advocate, as deputy commissioner of OLPS, under Salas, adding to the labor advocacy personnel. The appointment of Vladeck was, as one labor advocate put it, “a signal from the administration to take this seriously by appointing someone like her; not just someone to warm the chair, but someone looking to do good work.”

Yet despite the very public championing of worker rights as part of the de Blasio administration—the DCA was even rebranded as the Department of Consumer and Worker Protection—and the strong support for worker standards at all levels of the DCA as the result of the de Blasio appointments, OLPS has been hamstrung in various ways.

For example, bureaucratic reforms⁴⁵ changed the administrative court for OLPS cases from an internal DCA court to a citywide tribunal, the Office of Administrative Trials and Hearings (OATH). OLPS staff have noted the extreme difficulties they have had with cases at OATH, in part because OATH was set up to deal with violations, not to hear trials, and in part because the judges had no experience in complex labor law. Agency staff repeatedly lamented what they felt to be legally inappropriate decisions within OATH that limited their enforcement powers. In an interview with a government employee, we learned that a commissioner of OATH who is appointed by the mayor provided guidance that the judges

should “be good on supporting small businesses,”⁴⁶ in part because of de Blasio’s concern with small businesses. This suggests that the rulings are not necessarily neutral decisions.

Another institutional feature limiting enforcement practices at OLPS is the size of its budget, which is small relative to the size of the city. In June 2020, DCA Commissioner Salas noted that OLPS had a budget of about \$1.5–2 million, within the DCA’s budget of about \$40 million. In contrast, the equivalent agency in San Francisco—with a population less than one-tenth that of New York City—had a budget of about \$8.5 million. When asked about perceptions of what employers won in the fight over employment standards enforcement, a labor advocate noted: “The money—there’s just no staffing. It’s a tiny team that’s trying to do creative things. So the resources are awful.”⁴⁷ The small budget does not reflect political choices, according to one government official, but is rather a feature of budgeting in NYC executive agencies.

Summary

In New York City under de Blasio, a champion of raising employment standards in order to combat inequality, and under a progressive city council, the ideational structural power of small business has played a key role in shaping both the legislation and, even more profoundly, the implementation of worker protection ordinances. The structural power of small businesses, through threats that they will either leave the city or go bankrupt; the strategic deployment of small business organizations and narratives by larger employers and their advocates, such as the Partnership for New York City; and the persistent attention to the concerns of small business by the mayor—in part because of how central small businesses are to his political identity—have all loomed large over the story of attempting to balance the power of workers relative to their employers.

Employer power across the three cases

In each of the cities, concessions to employers during the legislative process informed the speed and nature of implementation. Employers and their advocacy organizations secured concessions in implementation, such as the soft launch of policies—a reduction in fines and penalties and a focus on education and training for a period after the ordinance took effect—and the allocation of resources to employer outreach instead of enforcement. Seattle, where political support for minimum wage policy was overwhelming, ironically settled on the longest phase-in period for small businesses (seven years) and the highest threshold for the number of employees that counted a firm as a small business (500 or fewer employees worldwide). In contrast, the cutoff for small businesses in Los Angeles was 25 employees, and for paid sick leave in New York it was four. In each city, employers secured various exemptions, carve-outs, and phase-ins from certain provisions of the laws.

Ultimately, the impact of employer influence over the implementation of these laws interacted with the focus and relative influence of advocates, other relevant government institutions, and city bureaucratic processes to shape what enforcement of these

employment standards looks like in practice. In Seattle, enforcement is supported by extremely strong statutory authority, an attention to the relationship between enforcement and the building of worker power, and creative enforcement practices, while at the same time enforcement practices are focused on and pay heed to the impact on small business, and many agency resources are directed toward building relationships with businesses. In Los Angeles, statutory enforcement authority is strong, but enforcement practices are severely constrained by civil service hiring rules, which create high turnover in the Office of Wage Standards; by the very hands-on, legally conservative guidance from the city attorney's office; and by an agencywide sense of the importance of balancing the needs of employees and employers. The extremely positive reputation among elected officials and advocates of the leader of the Bureau of Contract Administration has led to less pressure from officials who might otherwise encourage and pressure OWS to engage in more robust enforcement strategies. And in New York City, despite incredibly strong agency leadership and commitment to robust enforcement, and despite relatively strong statutory enforcement authority, the agency is under-resourced relative to the size of the city, its parent agency has not been equipped for the kind of enforcement practices needed for proactive enforcement, and both have been legally constrained by rulings from administrative tribunal judges.

While there were some instances of employers explicitly threatening to use their structural power to move away and thus withdraw capital from the city, and while political leaders often expressed concerns about the economic consequences of businesses exercising this power if they were unhappy with the policies being considered, there was also something else important happening. In all of the cities, there is a strong ideational influence favoring business. It is particularly manifest in narratives about small businesses and in mayoral calculations about the impact on their political fortunes of business reactions to robust enforcement; these impacted both the legislative process and the enforcement of employment standards. Big business knows that it can reap rewards from letting small business stand for the whole and taking advantage of the narrative of small business valor.

We observe four common mechanisms by which employer influence functions. First, in all three cities, powerful unions and extensive campaign finance reform have meant that employers win legislative concessions not due to greater resources, which might enable them to put favorable candidates into office and secure favorable votes through campaign contributions. Instead, they gain concessions through being repeat players in the process of policymaking, either by representing (in Seattle and Los Angeles) an enduring interest group that legislators feel they must be responsive to as part of the everyday functioning of local government, or by representing (in New York) a powerful constituency (large businesses) or a constituency in need of protection (small businesses). In Seattle, this occurred both through behind-the-scenes appeals to the mayor and through advisory councils—a longstanding institution in Washington State's political culture for involving stakeholders in decision-making. In the Seattle case, we observe that worker and labor advocates who have substantial political and economic power may have little to gain, and much to lose, by participating in a deliberative process with employers. In Los Angeles, the degree of access that business lobbyists have to elected officials, and city officials working

to accommodate “reasonable requests” from repeat political actors in order to facilitate future policymaking, has meant that some business advocates receive outsized attention. In New York City under Bloomberg, who was ideologically opposed to these kinds of employment standards policies, employers and employer advocates succeeded in whittling away at proposed paid sick leave protections, leaving the final bill a shadow of its former self. Most provisions were restored in the version introduced by de Blasio after he became mayor.

Second, in these three cities, even when minimum wage and paid sick laws passed with lopsided majorities, mayors and city councilors, and sometimes agency leaders, were nevertheless strongly attuned and responsive to the ideational structural power of business, in the more expansive sense that we outlined above. “Better business climate” concerns were present and accommodated⁴⁸ through choices about policy details, administration, and enforcement practices. We see evidence of the ideational structural power of employers being transmitted through arguments that legislation will chill business opportunities. The economies of these three deep-blue progressive cities are characterized by strong competitive advantages and high levels of profitability, thus making businesses less inclined to move (Dreier, Mollenkopf, and Swanstrom 2014). Additionally, each of the cities has important place-based economies such that capital mobility is far less common for the largest employers and often not economically feasible for the smallest ones. We observe most frequently that the form of structural power (realized or perceived) that most worries politicians is not fear of divestment and capital moving to other jurisdictions, but rather a fear of a different form of capital withdrawal from the city economy—businesses and business organizations claiming they will be bankrupted and have to close in response to employment standards reforms. As mayoral and city council staff as well as labor advocates repeatedly pointed out, this has become the automatic response by business to any proposed employment policy improvement, and it is automatically taken seriously as a legitimate threat without employers even having to provide much evidence in support of their claims. Ultimately, ringing the bell about threats to the “business climate” sets in motion a Pavlovian-like response on the part of elected officials such that the bell no longer needs to be rung at all for them to be concerned about hurting business or to be perceived as hurting business. The widespread incorporation of neoclassical economic assumptions and principles into policymaking (Hirschman and Berman 2014) also contributes to this dynamic.

Third, in all three cities, politicians have a sincere concern for small businesses that is reflected in widely circulating narratives. As Waterhouse (2015) has documented, the political uses of small business narratives are legion in 20th century U.S. history. Beginning in the 1970s, small business narratives were incorporated into a larger pro-business, anti-regulation narrative. We observed strong ideational influence of these small business narratives, and we think of the invocation of small business in these cities as a “spanning concept” (Hackworth 2007)—a concept with multiple meanings that are politically useful because different constituencies hear what they want to hear. We can identify four distinct narratives of small business in the three cities: as representative of core moral values of self-sufficiency and hard work; as engines of growth, entrepreneurship, economic vibrancy, and community; as vehicles for economic mobility for immigrants and people of

color; and as quintessential victims of government overregulation. In some of these cities, big business *wants* small business to stand for the whole of employers because of the sympathies it evokes. But while these narratives are certainly deployed strategically, that is not the whole story. They also speak to deeply held beliefs on the part of politicians in each of the cities. The source and nature of the resulting acquiescence to business concerns varies by city; the struggle over the dividing line between what constitutes a small versus a large employer exemplifies this issue.

Finally, in all three cities, in addition to sincere concern for the fates of small businesses, mayors were also concerned with how robust enforcement of employment standards might impact their future political careers. In Seattle, Murray's attention to the requests—both explicit and presumed—of business was part of how he preserved his public profile as a moderate. In L.A., some worker and labor advocates suggested that the political aspirations of city mayors to higher office make them particularly attuned to avoiding a reputation as “anti-business” and to preserving their ability to secure future campaign contributions from business. In New York, de Blasio's previous championing of small businesses created conflict with some aspects of robust enforcement practices.

Thus, the structural power of employers shapes the way policies are perceived, and instrumental power shapes how specific policy changes come to be made in legislation—as Hacker and Pierson (2002) observe in the case of welfare reform at the federal level. While we see some evidence of instrumental power in the process of enforcement, the invocation of structural power—especially the dimensions of ideational influence—is an important barrier to robust implementation. In these cities, enforcement powers are granted statutorily in the legislation itself, through administrative rulemaking and also through organizational practices. The structural power of business is evident in shaping enforcement in all three arenas, largely through decisions made by the mayor and agency staff regarding whether and how to use their enforcement authority.

The extent of structural and instrumental power of employers and the relative distribution of structural versus instrumental power vary across time and place. We see variation in the dynamics of employer power among the cities based on two key dimensions and the interaction between them: the structure of city government (Table 5) and the organization of business interests (Table 6). The institutional arrangements of the cities—in particular the relative balance of power between the mayor and the city council and the relative influence of different government institutions in the process of legislation and enforcement, shape the degree to which the mechanism of employer influence over enforcement was largely through structural or instrumental means. Additionally, in all three cities, employers vary in their degree of involvement in legislation and implementation (e.g., by industry, size, net worth, public profile, and, most of all, the degree to which they believe they will be impacted by a particular policy) and in the extent to which they were organized in their opposition to (or support for) legislation and enforcement approaches. These differences informed the degree of involvement of different types of employers and employer organizations in the process, the stage in the process at which they engaged, and the various forms of engagement their involvement took.

In our three cases, political contributions, an important aspect of instrumental power, are

relatively balanced between labor and business; in some years in some cities, they favor labor. Instrumental power plays some role in these cases, but not nearly the role it might play in other cities with different demographics, ideological compositions, and less organizing capacity. Despite this relatively unique balance in the resources of business and labor, we observe legislative concessions and significant implementation barriers, many of which can be traced to the structural power of business. Given the economic conditions of cities due to fallout from the Covid-19 pandemic, we already see even more political defaulting to the preferences and needs of business, especially small business.

Recommendations for worker advocates

We close this paper with a set of recommendations for worker advocates based on what these cases illustrate about the actions of employers, local government officials, and labor and worker advocates. We suggest four key areas for worker advocates to attend to: business community cleavages; ideational power using narratives and frames; the fundamentally conflicted role of small businesses; and the pressuring of elected officials specifically on enforcement.

1. Attention to cleavage within the business community

In each city, we see that business is not a monolith. Different sectors, companies, and individuals may have some common interests but also divergent ones. Divisions inside of business associations and boards are important to understand and exploit. Likewise, businesses and business associations have varying levels of interest in specific policies, and this must be carefully parsed by worker advocates. Many of the largest employers in some of these cities did not see the policies as a threat and did not become deeply involved in opposing them. Some were nominally involved through their participation in business associations but did not heavily invest in the fight. In the case of minimum wage and paid sick time policies, it was seldom the largest companies that were leading the opposition. Sometimes this role was a pragmatic choice, in the sense that they were already paying above the minimum wage and providing paid sick days, and sometimes it was strategic, in the sense that they knew their involvement would make them good targets for worker advocates—better to leave the arena to the more sympathetic spokespersons of small businesses, local chains, and beloved restaurants. Although beyond the scope of this paper, we note that predictive scheduling policies in these cities brought some larger employers more fully into the scrum, as did business tax proposals. In all three cities, there was consensus that the most powerful business players were real estate developers, and they tended not to become involved in debates about employment standards. Also, their instrumental power had been reduced by campaign finance reforms.

In every city, business associations engaged to varying degrees. Some engaged during

the policy process but did not remain involved over the fine details of enforcement powers, while others were involved throughout. Mayoral staff and policy insiders in the cities pointed most often to the restaurant associations as the ones that stayed engaged in the minutia throughout the rulemaking and implementation processes. (Indeed, we did observe an important role of the National Restaurant Association and similar state or local associations, suggesting that worker advocates should pay particular attention to these organizations.) The interests of repeat players were more likely to be recognized and accommodated in some way.

For worker and community advocates, before beginning a campaign, it is important to disaggregate the business community and do a thorough power analysis of each of the players. This analysis must not be based solely or even primarily on what one thinks one knows; advocates must formulate clear questions and identify multiple sources for seeking answers. Power is often hard to see. As Pierson (2015) has argued, in many situations we are only able to see the tip of the iceberg; mechanisms of power are even harder to pin down. It is important to have clear criteria for evaluating power and to triangulate one's way through incomplete information to what will most often be correlation, not causality. Business influence is not always easy to track because sometimes businesses are intentionally trying to stay off the record, not testifying at hearings but instead communicating directly to mayors or their political consultants or other private intermediaries. In all three cities, we heard accounts of specific carve-outs that were accomplished this way.

2. Attention to ideational power using narratives and frames

The cases we have presented here make clear that there are instrumental *and* structural elements to business power, and that the ideational aspects of structural power are extremely powerful in shaping the enforcement of employment standards. Along with institutional strategies like employment policy reforms coupled with strategic enforcement and co-enforcement, narrative and cultural strategies are essential to challenging the hegemonic power of business and the laissez faire narrative. As we have seen, liberal and progressive elected officials in deep-blue cities favor employment reforms but still worry about policy impacts on business and feel a need to be open to concessions.

The ideational structural power of small business takes different forms in different cities, and the sources of these narratives are diverse. For the Seattle and New York mayors, the power was explicitly connected to narratives of immigrant and Black and brown entrepreneurship. This form of power operates in large measure through the admiration of elected officials for the work of the entrepreneurs and “makers” who make the city special as well as through personal relationships with the businesses themselves. Local elected officials, including progressive local officials, look at small business sympathetically and very differently than they do big corporations. Being “pro-small business” is not just a pragmatic stance; it is a deeply held sentiment. Seattle progressives understood the appeal of small business for elected officials and organized well-known small businesses

into the Main Street Alliance; the tactic helped progressives project a counter message that not all small businesses opposed higher minimum wage and paid sick time policies and that a “high road” path was available for small businesses. In fact, there is growing interest in some progressive circles in understanding the interests of small business as compatible with the economic justice agenda and in organizing small business back into the progressive community (Mitchell and Holmberg). While some small businesses are already active on LGBTQ+ rights, immigrant rights, environmental policy, and racial justice, small business participation around economic justice and worker rights policy is still marginal. But co-opting existing narratives about the importance of small businesses is not sufficient, as it might further reinforce the structural power of business. Progressives must develop their own small business narratives and decouple the narrative about small business viability from labor costs and connect it instead to, say, the cost of rent. Such a strategy could provide pathways to a broader political terrain that includes the financialization of the urban economy, absentee investors, and corporate landlords.

Advocating for business outreach and education has been effective framing for employee advocacy organizations to win the creation of employment standards offices and co-enforcement. This framing has been successful because it implies that businesses would comply if they understood their obligations—what is needed is education rather than deregulation. Framing the job of these enforcement agencies as one of ensuring compliance has also proved to be effective. It is hard for business to argue that it should not follow the law, and the frame is supported by good governance advocates and city auditors. It places business in a tough spot if the problem of wage theft has been documented and agency policies and procedures are viewed as reasonable. Just as the “unfair competition” frame—that those businesses that compete on underpaying their employees have an unfair advantage—is hard for business to argue with, so too is the frame that businesses want to comply and just need information about their obligations. In most instances, whether they liked it or not, most business organizations ended up accepting the framing and settling for dedicated outreach and education staff rather than putting forward a straight-up anti-regulation argument.

3. Attention to the fundamentally conflicted role of small businesses

In each of these cities, small businesses play a fundamentally contradictory role. Many of the elected officials involved in passing these policies and establishing these offices and the agency leaders who staff them feel badly that the majority of violations coming in are against small business, many of which are in immigrant ethnic enclaves and are often owned by immigrants and people of color. On the one hand, officials and staff feel strongly that all businesses should follow the law. On the other hand, they feel that these laws are complicated and that many small businesses lack human resources capacity and make honest mistakes. Likewise, the organizations that mobilized to pass these policies and to establish these offices are themselves more interested in going after the big corporations that drive the economy and are responsible for some of the worst elements of employment relations today. They do not believe that they are going to drive structural

change in these industries by going after small businesses, but they also know that small businesses are frequent sources of violations for their constituents (indeed, some advocates in these cities represent both employees and small business owners). There is room for progressive organizations to enter the policy arena in support of high-road small businesses—reinforcing the message about unfair competition and rental costs. Cities could be much more creative in their strategies for promoting and supporting small businesses, including by providing them common back-office accounting and human resources support.

4. Pressuring of elected officials specifically on enforcement

An additional caution: In each city examined here and in many other cases with which we are familiar, there is a tendency on the part of worker advocacy organizations to trade off enforcement and funding in order to get a policy on the books. Likewise, soft launches may be good for messaging and negotiations, but if allowed to become long-term enforcement practices they can end up undermining the actual implementation of the policies organizations fought so hard to pass. While we understand the political calculus, we have observed that organizations do not always have the same political conditions, power resources, or focus to circle back and later win the necessary enforcement powers through statutes, administrative rulemaking, or funding. Worker advocates should budget and design campaigns around enforcement rules, practices, and budgets, in addition to waging the legislative battles over policy. Many worker advocates we spoke to were extremely familiar with the shortcomings of each of the enforcement offices, and they noted that there was not enough organized pressure on elected officials to support strategic enforcement practices. As one worker advocate in New York City put it, fairly sheepishly, because of resource shortages “we organize to win but we never organize to sustain the victory and make it as strong as possible.” Continuing oversight over the enforcement process is instrumental to realizing the full policy victory.

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Appendix A. A roadmap to the main policy and implementation issues

In order to orient the reader to some of the technical nuances involved in the debates over employment standards legislation and implementation, we provide the following list of the main issues businesses and business associations raised during the legislative debates. A detailed account of the specific changes to the ordinances for each city is provided in Tables 1 and 3.

1. *Size and phase-in*: The single most important policy detail for business interests regarding both the paid sick and minimum wage ordinances was the specific cut-off number for what counted as a small versus a large business. Business size dictated the number of years a firm had to phase in both the paid sick leave and minimum wage ordinances and the number of hours a worker could accrue under the paid sick leave ordinance (as well as how many hours could be carried over per year). Additional issues connected to size included whether individual franchisees would be considered small businesses or part of larger integrated enterprises.
2. *Joint employer and integrated enterprise*: Widespread subcontracting in many low-wage sectors has led to situations in which the direct employer of record has extremely limited financial resources or has gone out of business or cannot be found, making it difficult for agencies to prosecute violations and collect wages owed to

workers. Thus, there is an imperative to be able to go beyond the employer of record and hold other entities liable for wages owed. Businesses were concerned about whether city statutes would include joint employer liability and thus give the agency the ability to hold more than one entity liable for violations based upon a finding that two separate entities exercised some control over the work or working conditions of the employee. Businesses were also concerned about how city statutes defined when two or more separate entities would be considered an integrated enterprise and considered a single employer for purposes of liability; such a definition was relevant to establishing the size of the businesses and thus whether a business counted as a small or large business.

3. *Who is covered?* There were debates in all three cities over whether paid sick leave and minimum wage ordinances would cover part-time, temporary, and exempt employees, with businesses trying to limit coverage to full-time employees.
4. *What counts toward meeting the minimum wage?* Business interests in both cities with a local minimum wage law (Seattle and Los Angeles) tried to have as many sources of nonwage income count toward their wage obligation as possible, including tips, spending on health care benefits, commissions, and bonuses. In some cases, they succeeded in having some of these count for a prescribed period of time (another phase in). They also lobbied hard for the right to levy service charges on customers to cover some of their obligation under the minimum wage.
5. *Private right of action:* A private right of action allows workers, in addition to filing complaints with a government agency for violations of the law, to be able to take their employers to court to sue for violations under that law. The threat of a class action suit can also be leveraged in the settlement of an agency investigation, as the employer may agree to better terms to avoid additional litigation costs. Business strongly opposed it in every ordinance in all three cities.

Additionally, employers were concerned with a number of issues regarding administration and enforcement authority and practices. Details about the final statutory enforcement authority of each office—one dimension of the outcomes we are interested in—can be found in Table 4.

1. *Location within the bureaucracy:* In each city there were debates about which existing agency should house the new employment standards enforcement functions. Some business associations strongly expressed their preferences, weighing in against agencies they charged with having been overly zealous in enforcement—issuing citations for minor infractions either as a means of burnishing their reputations or generating income, or both. Worker advocates favored certain agencies over others as potential homes for administration and enforcement of these new policies, and others preferred agencies to be independent.
2. *Onsite investigations and inspection of company records:* Agencies must be accorded the statutory or administrative power to carry out onsite investigations. In some cases, the law specifies whether there must be prior notification of the employer, and in other cases the law is silent. Business associations usually prefer to limit investigatory powers and require prior notification. Worker advocates object to

prior notification because they want to avoid companies altering the workplace or coaching employees to say or do certain things.

3. *Power to compel information and mandatory deadlines:* When an agency receives a complaint against an employer, the process usually begins with notification and a request for information. This power can be accorded through statute, administrative rulemaking, or agency practice. Businesses object to short turnaround times and advocate for longer periods to produce information. Agencies have had their investigations slowed when companies produce incomplete information or take a long time to provide it. Worker advocates try to require faster production so that agencies can carry out their investigations more efficiently and companies do not have time to falsify records.
4. *Directed and complaint-based companywide investigations:* Many jurisdictions require statutory language or administrative rules that give permission to extend an investigation beyond an individual complainant to the entire workforce (companywide) or initiate an investigation without a complaint (directed). Some business associations object to these practices because, in the case of companywide investigations, they require time-consuming production of records; in the case of directed investigations, they give agencies too much power. Worker advocates support them for three reasons: There is a strong likelihood that more than one worker has experienced the violation; companywide investigation protects the identity of the complainant; and higher costs are more likely to deter employers from committing future violations.
5. *Statute of limitations:* Businesses generally push for shorter periods of time during which an employee is able to come forward with a complaint. Worker advocates generally push for longer periods of time because many vulnerable workers who fear retaliation wait until they leave the job to file wage theft claims.
6. *Assessing penalties:* The power to impose damages, fines, and civil penalties on an employer that violates the law, repeatedly misses deadlines to provide information, interferes in an investigation, or makes no attempt to correct violations identified during an investigation is considered by many agencies to be essential to effective enforcement and to the deterrence of future violations. Not all agencies have these powers: Fines and penalties must be set through statute or administrative rulemaking. Businesses often try to confine their obligation to back pay alone and to minimize fines and penalties.

Tables

TABLE 1

Comparison of progression of minimum wage ordinances in Seattle and Los Angeles (New York City minimum wage preempted by state)

Types of employees covered

SEATTLE

- **SeaTac living wage ordinance:** Hospitality and transportation workers
- **Initial ordinance (pre-harmonization):** “Employee” means “employee,” as defined under Section 12A.28.200. Employee does not include individuals performing services under a work study agreement
- **Post-harmonization:** Includes most full-time, part-time, and temporary workers

LOS ANGELES

- **Original proposal by Mayor Garcetti:** All employees who work in Los Angeles (except state and federal government employees and the self-employed)
 - **Final 2016 minimum wage enforcement ordinances:** Any individual who in any particular week performs at least two hours of work within the city of Los Angeles for an employer, regardless of whether the employee is full time, part time, seasonal, or temporary
-

Employer definition

SEATTLE

- **SeaTac living wage ordinance:** Applies to hospitality and transportation employers
- **Initial ordinance (pre-harmonization):** “Any individual, partnership, association corporation, business trust, or any person or group of persons acting directly or indirectly in the interest of an employer in relation to an employee”

- **Post-harmonization:** “Any individual, partnership, association corporation, business trust, or any person or group of persons acting directly or indirectly in the interest of an employer in relation to an employee”

LOS ANGELES

- **Original proposal by Mayor Garcetti:** No language
- **Final 2016 minimum wage enforcement ordinances:** Any person (including a corporate officer or executive), association, organization, partnership, business trust, limited liability company, or corporation, who directly or indirectly or through an agent or any other person, including through the services of a temporary service or staffing agency or similar entity, employs or exercises control over the wages, hours, or working conditions of any employee

Definition of an integrated enterprise

SEATTLE

- **SeaTac living wage ordinance:** No language
- **Initial ordinance (pre-harmonization):** Separate entities that form an integrated enterprise shall be considered a single employer where “a separate entity controls the operation of another entity. The factors to consider in making this assessment include, but are not limited to: a) degree of interrelation between the operations of multiple entities; b) degree to which the entities share common management; c) centralized control of labor relations; and d) degree of common ownership or financial control over the entities”
- **Post-harmonization:** Same as pre-harmonization

LOS ANGELES

- **Original proposal by Mayor Garcetti:** No language
- **Final 2016 minimum wage enforcement ordinances:** No language

Joint employer liability?

SEATTLE

- **SeaTac living wage ordinance:** Yes—Definition of “person” includes joint ventures

- **Initial ordinance (pre-harmonization):** Yes—“More than one entity may be the ‘employer’ if employment by one employer is not completely disassociated from employment by the other employer”
- **Post-harmonization:** Same as pre-harmonization

LOS ANGELES

- **Original proposal by Mayor Garcetti:** No language
- **Final 2016 minimum wage enforcement ordinances:** No language

Small vs. larger employer definition

SEATTLE

- **SeaTac living wage ordinance:** No language—Ordinance applies to hotels employing 30 or more workers; food service or retail operations employing 10 or more non-managerial, nonsupervisory employees; and transportation employers that employ 25 or more non-managerial, nonsupervisory employees
- **Initial ordinance (pre-harmonization):**
 - Schedule 1—More than 500 employees *in the US*, and “all franchisees associated with a franchisor or a network of franchises with franchisees that employ more than 500 employees in aggregate in the US”
 - Schedule 2—500 or fewer employees *in the US*
- **Post-harmonization:**
 - Schedule 1—More than 500 employees *worldwide*, and “all franchisees associated with a franchisor or a network of franchises with franchisees that employ more than 500 employees in aggregate”
 - Schedule 2—500 or fewer employees *worldwide*

LOS ANGELES

- **Original proposal by Mayor Garcetti:** No language
 - **Final 2016 minimum wage enforcement ordinances:**
 - Large—26 or more employees
 - Small—25 or fewer employees
-

Phase-in periods (by business size)

SEATTLE

- **SeaTac living wage ordinance:** All covered businesses must begin paying \$15 hourly wage on January 1, 2014; living wage adjusted for inflation each following January 1.
- **Initial ordinance (pre-harmonization):** See Table 2
- **Post-harmonization:** See Table 2

LOS ANGELES

- **Original proposal by Mayor Garcetti:**
 - 2015—\$10.25
 - 2016—\$11.75
 - 2017—\$13.25
 - 2018 and on—Indexed to inflation
- **Final 2016 minimum wage enforcement ordinances:**
 - July 1, 2016—\$10.50 (large)
 - July 1, 2017—\$12.00 (large), \$10.50 (small)
 - July 1, 2018—\$13.25 (large), \$12.00 (small)
 - July 1, 2019—\$14.25 (large), \$13.25 (small)
 - July 1, 2020—\$15.00 (large), \$14.25 (small)
 - July 1, 2021—\$15.00 (small)
 - July 1, 2022 (and annually thereafter)—Indexed to inflation based on the CPI-W for the LA metro area

Counting of non-wage income: Spending on health care benefits, commissions, tip credits, bonuses

SEATTLE

- **SeaTac living wage ordinance:** Tips and service charges must go directly to the workers “who perform services for the customers from whom the tips are received or the service charges are collected”
- **Initial ordinance (pre-harmonization):** Commissions, piece-rate, and bonuses are included in wages; tips and employer payments toward a medical benefits plan do not count toward wages. Large employers that

paid toward employee's medical benefits had slower phase-in for first two years, but beginning in 2019, all large employers on same schedule regardless of benefit payments. Employees of small employers who pay toward the employee's medical benefits and/or employees of small employers who earn tips also have a slower phase-in; in 2025, all employees of small employers will have same minimum wage rate, regardless of benefits/tips

- **Post-harmonization:** Same as pre-harmonization

LOS ANGELES

- **Original proposal by Mayor Garcetti:** No language
- **Final 2016 minimum wage enforcement ordinances:** "Wage" means all amounts for labor performed by employees of every description, whether the amount is fixed or ascertained by the standard of time, task, piece, commission basis, or other method of calculation, as defined in California Labor Code Section 200(a). An employer may not use tips, gratuities, or the cost of medical benefits to offset the amount required to be paid to the employee in wages

Service charges allowed?

SEATTLE

- **SeaTac living wage ordinance:** Yes
- **Initial ordinance (pre-harmonization):** Yes
- **Post-harmonization:** Yes

LOS ANGELES

- **Original proposal by Mayor Garcetti:** No language
- **Final 2016 minimum wage enforcement ordinances:** No language

Damages, fines, and penalties

SEATTLE

- **SeaTac living wage ordinance:** "Any person claiming violation of this chapter may bring an action against the employer in King County Superior Court to enforce the provisions of this Chapter and shall be entitled to all remedies available at law or in equity appropriate to

remedy any violation of this chapter, including but not limited to *lost compensation for all Covered Workers impacted by the violation(s), damages, reinstatement and injunctive relief. A plaintiff who prevails in any action to enforce this Chapter shall be awarded his or her reasonable attorney's fees and expenses*“

- **Initial ordinance (pre-harmonization):**

- Employee remedies:
 - Shall include full payment of unpaid wages and accrued interest
- Civil penalties:
 - First violation—Up to \$500
 - Second violation—Up to \$1,000 per employee (or an amount equal to 10% of unpaid wages, whichever is greater)
 - Third violation—Up to \$5,000 per employee (or an amount equal to 10% of unpaid wages, whichever is greater)
 - Maximum civil penalty is \$20,000 per employee
 - \$1,000–\$5,000 for willfully resisting, preventing, impeding, or interfering with investigations
 - \$125 (first violation) to \$250 (subsequent violations) for violating the notice and posting requirements

- **Post-harmonization:**

- Employee remedies:
 - First violation—Payment of up to 3x wages owed plus interest
 - Second and further violation(s)—Mandatory 3x wages owed plus interest
 - Retaliation—Payment of up to \$5,000, and reinstatement or front pay of up to 3x wages owed plus interest
- Civil penalties:
 - First violation—Discretionary civil penalty up to \$500/employee
 - Second violation—Mandatory civil penalty of up to \$1,000/employee or an amount equal to 10% of the total amount of unpaid wages, whichever is greater
 - Third+ violation(s)—Mandatory civil penalty of up to \$5,000/employee or an amount equal to 10% of the total amount of unpaid wages, whichever is greater (max is \$20,000/employee)
 - (Willful) Workplace poster violation—Mandatory civil penalty of

\$750 for the first violation and \$1,000 for subsequent violations

- (Willful) Interference—Mandatory civil penalty of \$1,000 to \$5,000
- Retaliation—Mandatory penalty payable to the aggrieved party of up to \$5,000
- Potential discretionary fines of \$500 for failure to...
 - provide employees with written notice of rights (i.e. workplace poster)
 - maintain payroll records for three years (per record)
 - provide notice of investigation to employees
 - provide notice of failure to comply with final order to the public
- Potential discretionary fines of \$1,000 per aggrieved party for failure to comply with prohibitions against retaliation

LOS ANGELES

- **Original proposal by Mayor Garcetti:** No language
- **Final 2016 minimum wage enforcement ordinances:**
 - “Every Employer who violates this article...Shall be liable to the Employee whose rights were violated for any and all relief, including, but not limited to, the payment to each Employee of wages unlawfully withheld...and an additional penalty up to \$120 per day that each of the violations occurred or continued”
 - “Every Employer who violates this article, or any portion thereof, shall be liable to the City for a penalty of up to \$50 per day that wages...were unlawfully withheld from an Employee”
 - Employers may be fined up to \$500 payable to the city if failing to...
 - post notice of the LA minimum wage rate
 - allow access to payroll records
 - maintain payroll records or to retain payroll records for four years
 - allow access for inspection of books and records or to interview employees
 - provide employer’s name, address, and telephone number in writing
 - cooperate with the division’s investigation

- post Notice of Correction to employees
 - Employers may be fined up to \$1,000 (per employee) for retaliating against employees for exercising rights under the article
-

Statute of limitations

SEATTLE

- **SeaTac living wage ordinance:** No language
- **Initial ordinance (pre-harmonization):** Investigation must commence within 3 years of the alleged violation
- **Post-harmonization:** Same as pre-harmonization

LOS ANGELES

- **Original proposal by Mayor Garcetti:** No language
 - **Final 2016 minimum wage enforcement ordinances:** No language
-

Power to initiate investigations (companywide/directed)

SEATTLE

- **SeaTac living wage ordinance:** No language
- **Initial ordinance (pre-harmonization):** No language specific to companywide/directed investigations
- **Post-harmonization:** Yes

LOS ANGELES

- **Original proposal by Mayor Garcetti:** No language
- **Final 2016 minimum wage enforcement ordinances:** “The Division shall be responsible for investigating possible violations of the Los Angeles Minimum Wage, Sick Time Benefits or this article by an Employer or other person. The Employer shall cooperate fully in any investigation by the Division. The Division shall have access to all business sites and places of labor subject to this ordinance during business hours to inspect books and records, interview employees and any other relevant witnesses, investigate such matters necessary or appropriate and request the Board of Public Works to issue a subpoena for books, papers, records, or other items relevant to the enforcement of this article. The Employer is required to provide to the Division its legal

name, address, and telephone number in writing”

Private right of action?

SEATTLE

- **SeaTac living wage ordinance:** Yes
- **Initial ordinance (pre-harmonization):** No
- **Post-harmonization:** Yes

LOS ANGELES

- **Original proposal by Mayor Garcetti:** No language
 - **Final 2016 minimum wage enforcement ordinances:** Yes
-

Anti-retaliation provisions?

SEATTLE

- **SeaTac living wage ordinance:** Yes
- **Initial ordinance (pre-harmonization):** Yes
- **Post-harmonization:** Yes

LOS ANGELES

- **Original proposal by Mayor Garcetti:** No language
- **Final 2016 minimum wage enforcement ordinances:** Yes

Table 2

Seattle minimum wage phase-in schedule

	Small employers		Large employers	
	Does the employer pay toward the individual employee's medical benefits and/or does the employee earn tips?		Does the employer pay toward the individual employee's medical benefits?	
	Yes	No	Yes	No
2015	\$10.00	\$11.00	\$11.00	\$11.00
2016	\$10.50	\$12.00	\$12.50	\$13.00
2017	\$11.00	\$13.00	\$13.50	\$15.00
2018	\$11.50	\$14.00	\$15.00	
2019	\$12.00	\$15.00		
2020	\$13.50			
2021	\$15.00			

Economic Policy Institute

TABLE 3

Comparison of progression of paid sick leave ordinances by city

Types of employees covered

SEATTLE

- **Initial proposal from Nick Licata:** Private-sector employees
- **Initial ordinance (pre-harmonization):** Any individual that performs more than 240 hours of work in Seattle within a calendar year for an employer with more than 4 employees, regardless of the employer's location (except for federal & state employees)
- **Post-harmonization:** Same as pre-harmonization

NEW YORK

- **Initial 2009 proposal (Brewer):** Most private-sector employees employed for hire within the city for more than 80 hours/calendar year
- **Earned Sick Time Act (2013):** Same as initial proposal
- **Paid Sick Leave Act (2014):** Same as initial proposal
- **September 2020 amendments:** Same as initial proposal

LOS ANGELES

- **Final 2016 ordinance:** Every employee who works in the city for the same employer for 30 days or more within a year from the commencement of employment. An employee is any individual who in any particular week performs at least 2 hours of work within the city of Los Angeles for an employer, regardless of whether the employee is full time, part time, seasonal, or temporary
-

Employer definition

SEATTLE

- **Initial proposal from Nick Licata:** No language
- **Initial ordinance (pre-harmonization):** “Any person who has 1 or more employees, or the employer’s designee or any person acting in the interest of such employer”
- **Post-harmonization:** Same as pre-harmonization

NEW YORK

- **Initial 2009 proposal (Brewer):** NYS definition—“Employer” includes any person, corporation, limited liability company, or association employing any individual in any occupation, industry, trade, business or service. The term “employer” shall not include a governmental agency
- **Earned Sick Time Act (2013):** Same as 2009 proposal, but *does not include manufacturing establishments*
- **Paid Sick Leave Act (2014):** Same as 2009 proposal
- **September 2020 amendments:** Same as 2009 proposal

LOS ANGELES

- **Final 2016 ordinance:** Any person (including a corporate officer or executive), association, organization, partnership, business trust, limited liability company, or corporation, who directly or indirectly or through an agent or any other person, including through the services of a temporary service or staffing agency or similar entity, employs or exercises control over the wages, hours, or working conditions of any employee
-

Small vs. larger employer definition

SEATTLE

- **Initial proposal from Nick Licata:**
 - Tier 3—250 or more full-time equivalents (FTEs)
 - Tier 2—50–249 FTEs
 - Tier 1—Less than 50 FTEs
- **Initial ordinance (pre-harmonization):**
 - Tier 3—250 or more FTEs
 - Tier 2—50–249 FTEs
 - Tier 1—4–49 FTEs
- **Post-harmonization:** Same as pre-harmonization

NEW YORK

- **Initial 2009 proposal (Brewer):**
 - Large—10 or more persons working for compensation
 - Small—Fewer than 10 persons work for compensation
- **Earned Sick Time Act (2013):**
 - Large—15 or more employees (or 1 or more domestic workers)
 - Small—14 or fewer employees
- **Paid Sick Leave Act (2014):**
 - Large—5 or more employees (or 1 or more domestic workers)
 - Small—4 or less employees
- **September 2020 amendments:**
 - Large—100 or more employees
 - Medium—5–99 employees (or 1 or more domestic workers)
 - Small—4 or fewer employees

LOS ANGELES

- **Final 2016 ordinance:**
 - Large—26 or more employees
 - Small—25 or fewer employees
-

Joint employer liability?

SEATTLE

- **Initial proposal from Nick Licata:** No language
- **Initial ordinance (pre-harmonization):** No language
- **Post-harmonization:** Yes

NEW YORK

- **Initial 2009 proposal (Brewer):** No language
- **Earned Sick Time Act (2013):** Yes
- **Paid Sick Leave Act (2014):** Yes
- **September 2020 amendments:** Yes

LOS ANGELES

- **Final 2016 ordinance:** No language
-

Integrated enterprise definition

SEATTLE

- **Initial proposal from Nick Licata:** No language
- **Initial ordinance (pre-harmonization):** “Separate entities that form an integrated enterprise are considered to be a single employer under the ordinance—for example, a single entrepreneur with multiple businesses or a corporation with subsidiaries in Seattle”
- **Post-harmonization:** Same as pre-harmonization

NEW YORK

- **Initial 2009 proposal (Brewer):** No language
- **Earned Sick Time Act (2013):** “Chain business” shall mean any employer that is part of a group of establishments that share a common owner or principal who owns at least thirty percent of each establishment where such establishments (i) engage in the same business or (ii) operate pursuant to franchise agreements with the same franchisor as defined in general business law section 681; provided that the total number of employees of all such establishments in such group is at least 15
- **Paid Sick Leave Act (2014):** Same as Earned Sick Time Act, but number

of employees decreased from 15 to 5

- **September 2020 amendments:** Same as Paid Sick Leave Act

LOS ANGELES

- **Final 2016 ordinance:** No language
-

Accrual of PSST hours by business size

SEATTLE

- **Initial proposal from Nick Licata:**
 - Tier 3—1 hour of leave/30 hours worked (up to 72 hours/year)
 - Tier 2—1 hour of leave/35 hours worked (up to 56 hours/year)
 - Tier 1—1 hour of leave/50 hours worked (up to 40 hours/year)
- **Initial ordinance (pre-harmonization):**
 - Tier 3—1 PSSL hour/30 hours worked (max 72 hours/year)
 - Tier 2—1 PSSL hour/40 hours worked (max 56 hours/year)
 - Tier 1—1 PSSL hour/40 hours worked (max 40 hours/year)
 - (Employees of Tier 3 employers who offer a Paid Time Off (PTO) plan can use up to 108 hours of unused PSST hours per year)
- **Post-harmonization:** Same as pre-harmonization

NEW YORK

- **Initial 2009 proposal (Brewer):**
 - 1 hour of paid sick time/30 hours worked
 - Large—Must provide up to 72 hours of sick time for an employee in a calendar year
 - Small—Must provide up to 40 hours of paid sick time in a calendar year
- **Earned Sick Time Act (2013):**
 - 1 hour of sick and safe leave/30 hours worked
 - Large—Must provide up to 40 hours of paid sick and safe leave
 - Small—Must provide up to 40 hours of unpaid sick and safe leave
- **Paid Sick Leave Act (2014):**
 - Same as Earned Sick Time Act

- **September 2020 amendments:**

- 1 hour of sick and safe leave/30 hours worked
- Large—Must provide up to 56 hours of paid sick and safe leave (as of January 2021)
- Medium—Must provide up to 40 hours of paid sick and safe leave
- Small—Must provide up to 40 hours of unpaid sick and safe leave (as of January 2021 must provide 40 hours of paid leave if net income of \$1 million or more in the previous tax year)

LOS ANGELES

- **Final 2016 ordinance:**

- 1 hour of PSL/30 hours worked OR 48 hours at the beginning of each year of employment, calendar year, or 12-month period
- Must provide up to 48 hours of sick leave each year (Note: Employees who were employed with the same employer from February 3, 2020, through March 4, 2020, received 80 hours of supplemental paid sick leave if full time, and an amount equal to an employee's average two week pay during said period if part time)

Carry over of PSST hours

SEATTLE

- **Initial proposal from Nick Licata:**

- Tier 3—Up to 72 hours/year
- Tier 2—Up to 56 hours/year
- Tier 1—Up to 40 hours/year

- **Initial ordinance (pre-harmonization):**

- Tier 3—72 hours of unused PSST/year
- Tier 2—56 hours of unused PSST/year
- Tier 1—40 hours of unused PSST/year
- (Employees of Tier 3 employers who offer a Paid Time Off (PTO) plan can use up to 108 hours of unused PSST hours per year)

- **Post-harmonization:** Same as pre-harmonization

NEW YORK

- **Initial 2009 proposal (Brewer):** Unused paid sick time carried over to the following calendar year
- **Earned Sick Time Act (2013):** Unused paid sick time may be carried over to the following calendar year; however, employers may still only allow the use of up to the maximum accrued amount each year
- **Paid Sick Leave Act (2014):** Same as Earned Sick Time Act
- **September 2020 amendments:** Same as Earned Sick Time Act

LOS ANGELES

- **Final 2016 ordinance:** Up to 72 hours of unused PSL/year

Damages, fines, and penalties

SEATTLE

- **Initial proposal from Nick Licata:** Enforcement by the Seattle Office for Civil Rights (SOCR) following their existing model for fair housing and employment discrimination codes: “Conditions of the settlements implemented by SOCR could include: elimination of the unlawful practice; back pay; re-hiring; attorney’s fees; and up to \$10,000 for humiliation and emotional suffering (This is not an exhaustive list)”
- **Initial ordinance (pre-harmonization):** “In the event the Hearing Examiner (or a majority of the panel composed of the Examiner and Commissioners), determines that a respondent has committed a violation of this chapter, the Hearing Examiner (or panel majority) may order the respondent to take such affirmative action or provide for such relief as is deemed necessary to correct the practice, effectuate the purpose of this chapter, and secure compliance therewith, including but not limited to hiring, reinstatement, or upgrading with or without back pay, lost benefits, attorney’s fees, admittance or restoration to membership in a labor organization, or such other action which will effectuate the purposes of this chapter, including action which could be ordered by a court, except that damages for humiliation and mental suffering shall not exceed \$10,000”
 - “An employer who willfully violates the notice and posting requirements of this section shall be subject to a civil fine in an amount not to exceed \$125 for the first violation and \$250 for subsequent violations”
- **Post-harmonization:**

- Employee remedies:
 - First violation—Payment of up to 3x wages owed plus interest
 - Second and further violation(s)—Mandatory 3x wages owed plus interest
 - Retaliation—Payment of up to \$5,000, and reinstatement or front pay of up to 3x wages owed plus interest
- Civil penalties:
 - First violation—Discretionary civil penalty up to \$500/employee
 - Second violation—Mandatory civil penalty of up to \$1,000/employee or an amount equal to 10 percent of the total amount of unpaid wages, whichever is greater
 - Third+ violation(s)—Mandatory civil penalty of up to \$5,000/employee or an amount equal to 10 percent of the total amount of unpaid wages, whichever is greater (max is \$20,000/employee)
 - (Willful) Workplace poster violation—Mandatory civil penalty of \$750 for the first violation and \$1,000 for subsequent violations
 - (Willful) interference—Mandatory civil penalty of \$1,000 to \$5,000
 - Retaliation—Mandatory penalty payable to the aggrieved party of up to \$5,000
- Potential discretionary fines of \$500 for failure to...
 - provide notification of available PSST hours every time that wages are paid
 - provide employees with employers written PSST policy and procedure for meeting PSST requirements
 - provide employees with written notice of rights (i.e. workplace poster)
 - maintain payroll records for three years (per record)
 - provide notice of investigation to employees
 - provide notice of failure to comply with final order to the public
- Potential discretionary fines of \$1,000 per aggrieved party for failure to comply with prohibitions against retaliation

NEW YORK

- **Initial 2009 proposal (Brewer):** Employer found to be in violation of any

provisions would be liable for a civil penalty of at least \$1,000 for each violation (and a court “may award any appropriate equitable relief to secure compliance with this section and may award reasonable attorney’s fees and costs incurred in maintaining the action to any prevailing complaining party”); Employers who willfully violate the notice and posting requirements subject to a civil fine up to \$100

- **Earned Sick Time Act (2013):**

- Under the Law, a judge may order an employer to provide an employee whose rights have been violated with the following:
 - Three times the wages that should have been paid for each time the employee took safe and sick leave but wasn’t paid or \$250, whichever is greater;
 - \$500 for each time the employee was unlawfully denied safe and sick leave requested by the employee or was required to find a replacement worker, or each time the employee was required to work additional hours to make up for safe and sick leave taken without mutual consent of the employer and the employee;
 - Full compensation, including lost wages and benefits, damages of \$500 to \$2,500, and appropriate equitable relief for each time the employer retaliated against the employee for taking safe and sick leave.
- In addition to the monetary relief that an employer may be required to pay to employees whose rights were violated, the Law also provides the following civil penalties for violations of the Law:
 - Up to \$500 for failure to timely or fully respond to DCWP’s request for information or documents before the first scheduled appearance date;
 - Up to \$500 per employee for each first-time violation;
 - Up to \$750 per employee for each second violation within two years of a prior violation;
 - Up to \$1,000 per employee for each subsequent violation that occurs within two years of any previous violation;
 - Up to \$50 for each employee who was not given the required Notice of Employee Rights

- **Paid Sick Leave Act (2014):** Same as Earned Sick Time Act

- **September 2020 amendments:** Same as Earned Sick Time Act

LOS ANGELES

- **Final 2016 ordinance:**

- “Every Employer who violates this article...Shall be liable to the Employee whose rights were violated for any and all relief, including...Sick Time Benefits unlawfully withheld and an additional penalty up to \$120 per day that each of the violations occurred or continued”
- “Every Employer who violates this article, or any portion thereof, shall be liable to the City for a penalty of up to \$50 per day that...Sick Time Benefits were unlawfully withheld from an Employee”
- Employers may be fined up to \$500 payable to the City if failing to...
 - post notice of sick time benefits
 - allow access to payroll records
 - maintain payroll records or to retain payroll records for four years
 - allow access for inspection of books and records or to interview employees
 - provide employer’s name, address, and telephone number in writing
 - cooperate with the Division’s investigation
 - post Notice of Correction to employees
- Employers may be fined up to \$1,000 (per employee) for retaliating against employees for exercising rights under the article

Employer notification requirements?

SEATTLE

- **Initial proposal from Nick Licata:**

- For foreseeable absences, employees shall notify employer at least 10 days in advance, or as early as possible
- For unforeseeable absences, notice must be provided as “soon as practicable”
- Employers may require documentation for absences of more than three days. Tier 1 and Tier 2 employers who do not provide health insurance and require documentation due to a medical-related

absence, must pay half the costs of any out-of-pocket expense incurred by the employee in obtaining this documentation. Tier 3 employers will have to pay the full cost of securing any requested documentation

- **Initial ordinance (pre-harmonization):** Yes, if the employee is absent for more than 3 consecutive work days
- **Post-harmonization:** Same as pre-harmonization

NEW YORK

- **Initial 2009 proposal (Brewer):** Yes
- **Earned Sick Time Act (2013):** Yes
- **Paid Sick Leave Act (2014):** Yes
- **September 2020 amendments:** Yes

LOS ANGELES

- **Final 2016 ordinance:** Yes

Anti-retaliation provisions?

SEATTLE

- **Initial proposal from Nick Licata:** Yes
- **Initial ordinance (pre-harmonization):** Yes
- **Post-harmonization:** Yes, and violations come with monetary penalties and other forms of relief

NEW YORK

- **Initial 2009 proposal (Brewer):** Yes
- **Earned Sick Time Act (2013):** Yes
- **Paid Sick Leave Act (2014):** Yes
- **September 2020 amendments:** Yes

LOS ANGELES

- **Final 2016 ordinance:** Yes
-

Private right of action?

SEATTLE

- **Initial proposal from Nick Licata:** Yes
- **Initial ordinance (pre-harmonization):** No
- **Post-harmonization:** Yes

NEW YORK

- **Initial 2009 proposal (Brewer):** Yes
- **Earned Sick Time Act (2013):** No
- **Paid Sick Leave Act (2014):** No
- **September 2020 amendments:** No

LOS ANGELES

- **Final 2016 ordinance:** Yes

Power to initiate investigations (companywide/directed)

SEATTLE

- **Initial proposal from Nick Licata:** “SOCR will investigate complaints, develop findings and, if a violation has occurred, seek settlement through ‘conference, conciliation and persuasion”
- **Initial ordinance (pre-harmonization):** Power to investigate complaints
- **Post-harmonization:** Power to investigate complaints, including with companywide investigations

NEW YORK

- **Initial 2009 proposal (Brewer):** Right to investigate complaints, but no language specific to companywide/directed investigations
- **Earned Sick Time Act (2013):** Same as initial proposal
- **Paid Sick Leave Act (2014):** Right to investigate complaints, but also gives agency power to “promulgate, amend and modify rules and regulations necessary to enforce the provisions of this chapter”
- **September 2020 amendments:** Yes

LOS ANGELES

- **Final 2016 ordinance:** “The Division shall be responsible for investigating possible violations of the Los Angeles Minimum Wage, Sick Time Benefits or this article by an Employer or other person. The Employer shall cooperate fully in any investigation by the Division. The Division shall have access to all business sites and places of labor subject to this ordinance during business hours to inspect books and records, interview employees and any other relevant witnesses, investigate such matters necessary or appropriate and request the Board of Public Works to issue a subpoena for books, papers, records, or other items relevant to the enforcement of this article”

Statute of limitations

SEATTLE

- **Initial proposal from Nick Licata:** No language
- **Initial ordinance (pre-harmonization):** 180 days
- **Post-harmonization:** 3 years

NEW YORK

- **Initial 2009 proposal (Brewer):** 3 years
- **Earned Sick Time Act (2013):** 270 days
- **Paid Sick Leave Act (2014):** 2 years
- **September 2020 amendments:** 2 years

LOS ANGELES

- **Final 2016 ordinance:** No language

Other notes

SEATTLE

- **Post-harmonization:** New Tier 1 and Tier 2 employers are not covered by the PSST ordinance until 24 months after the hire date of the first employee

NEW YORK

- **Paid Sick Leave Act (2014):** Amended to include safe time in 2018
- **September 2020 amendments:** Also as of September 30, 2020,

employers must allow employees to use safe and sick leave as it is accrued (rather than after 120 days of employment); reimburse employees who must pay for required documentation after three consecutive workdays of leave; and list on employees' paystubs (or any document issued each pay period) the amounts of accrued and used leave and the total balance of accrued leave

Table 4

Statutory legal enforcement authority for the three city enforcement offices

	Seattle	Los Angeles	New York
<i>Confidentiality</i>	X	X	X
<i>Power to investigate</i>	X	X	X
<i>Directed investigations</i>	X	Probably, but not explicit	X
<i>Subpoenas</i>	X	X	X
<i>Rebuttable presumption re: records</i>	X	Similar power	Similar power
<i>Retaliation</i>	X	X	X
<i>Rebuttable presumption re: retaliation</i>	X	X	
<i>Motivating factor standard re: retaliation</i>	X		X
<i>Retaliation immigration protections</i>	X		X
<i>Personal liability</i>	X	X	X
<i>Misclassification</i>	X		
<i>Joint employer</i>	X	X	X
<i>Successor liability</i>	X		
<i>Settlement</i>	X	X	X
<i>Determination of a Violation</i>	X	X	X
<i>Default determination</i>	X	X	
<i>Back wages</i>	X	X	Similar power
<i>Interest</i>	X	Probably but not explicitly	
<i>Liquidated damages</i>	X	Similar power	Similar power
<i>Retaliation remedy to worker</i>	X	X	X
<i>Interim relief</i>	X		
<i>Significant fines and civil penalties</i>	X	X	X
<i>Nonmonetary remedies (non-retal cases)</i>	X	X	X
<i>Notice of investigation</i>	X		
<i>Public notice of violation</i>	X	X	
<i>License suspension/revocation</i>	X	X	
<i>Collections</i>	X	X	

Table 4
(cont.)

	Seattle	Los Angeles	New York
<i>Private right of action</i>	X	X	
<i>Community partnerships</i>	X	X	
<i>U-Visa certification</i>	X		
<i>Data</i>			X

Economic Policy Institute

Table 5

Economic and political characteristics of cities

	Seattle	Los Angeles	New York
City population (2019 ACS)	753,655	3,979,537	8,336,817
City population change (2010–2019)	0.234	4.8%	0.019
Median household income (2019 ACS)	\$102,486	\$67,418	\$69,407
Median household income change (2010–2019)	0.702	0.433	0.424
Foreign-born share of population and workforce	Population: 17.6% (2018) Workforce: 17.9% (2015)	Population: 36% (2020) Workforce: 44% (2020)	Population: 37% (2020) Workforce: 45% (2020)
Size of city economy (Bureau of Economic Analysis, 2019)	10th largest metro economy in US (\$424.8 billion GDP)	2nd largest metro economy in US (\$1.09 trillion GDP)	Largest metro economy in US (\$1.86 trillion GDP)
Change in GDP (2010–2019)	0.77	0.49	0.45
Economic trajectory of city (brief)	Regional hub of the Pacific Northwest, international trade port with Asia; significant downturns in manufacturing employment in the 60s/70s, severe economic recession in the 80s/90s, bursting of the tech bubble in the early 00s; now important hub of the knowledge economy in US	Formerly leading agricultural producer; now international hub for entertainment and tourism; America's trade gateway to Pacific Rim through the Port of Los Angeles; an emerging center for the tech and advanced manufacturing sectors	Economic crisis in 1970s; now largest metropolitan economy in the US; a global center of finance, tourism, and entertainment; and home to largest port on the East Coast

Table 5
(cont.)

	Seattle	Los Angeles	New York
Major industries	Technology; startups; manufacturing; trade; restaurants; health care; life sciences and global health; clean technology; creative economy	Tourism and hospitality; entertainment; manufacturing; technology; international trade; wholesale trade and logistics; professional and business services	Finance; entertainment and tourism; professional and business services; technology; retail trade; food service; health care; education; apparel manufacturing
Major companies headquartered in city	Amazon; Starbucks; Nordstrom; Expedia Group; Alaska Air Group; Expeditors Intl. of Washington; Weyerhaeuser	CBRE Group; AECOM; Reliance Steel & Aluminum	JPMorgan Chase; Verizon; Citigroup; Metlife; Goldman Sachs; Morgan Stanley; Pfizer; etc.
Type of city (Brookings/JPMorgan Chase)	Knowledge capital—highly productive innovation center with a talented workforce and elite research institutions	Global giants—Extremely large metro areas that “serve as key nodes in global capital and talent flows”	

Table 5
(cont.)

	Seattle	Los Angeles	New York
Current campaign finance rules (summary)	<p>-No person—including individuals and most organizations—may contribute more than \$550 to any candidate; lower limit of \$300 + \$100 in democracy vouchers (DV) for city council/ attorney candidates participating in DV program</p> <p>-Total primary/ general election fundraising limit of \$150,000 (city council district), \$300,000 (city council at-large/ city attorney), and \$800,000 (mayor) for candidates participating in DV program</p> <p>-Few restrictions on independent expenditures</p>	<p>-No person—including individuals and most organizations—may contribute more than \$1,500 to mayor/city attorney/ controller or \$800 to city council candidates</p> <p>-For those participating in matching funds (MF) program, qualified contributions matched by the City at 6:1 rate (up to \$114 for city council and \$214 for citywide candidates matched per contributor); Total primary/general election expenditure limit of \$1 million for city council, \$2.3 million for city controller, \$2.7 million for city attorney, and \$6 million for mayoral candidates; Maximum personal funds of \$148,100 for citywide, \$37,000 for city council candidates</p> <p>-Few restrictions on independent expenditures</p>	<p>For candidates participating in matching funds (MF) program, no individual may contribute more than \$2,000 to mayor/public advocate/ comptroller or \$1,000 to city council candidates (higher limits for those not participating in MF program)</p> <p>-Lower contribution limits for individuals that have business dealings with the city</p> <p>-All candidates prohibited from accepting contributions from corporations/ LLCs/ partnerships</p> <p>-MF program matches each dollar from NYC residents at 8:1 rate (up to \$175 for borough president/city council candidates and \$250 for mayor/ public advocate/ comptroller candidates matched per contributor)</p> <p>-Total primary/ general election spending limits of</p>

Table 5
(cont.)

Seattle	Los Angeles	New York
		\$380,000 for city council; \$3.3 million for borough president; \$9.1 million for public advocate/comptroller; and \$14.6 million for mayoral candidates -No limits on independent spending

Table 5
(cont.)

	Seattle	Los Angeles	New York
Dates of revision to campaign finance rules (select)	<p>-Laws regulating campaign finance since as far back as 1971</p> <p>-2015: Seattle voters pass citizen-led initiative known as the “Honest Elections Seattle Initiative” that, among other things: Reduces the individual contribution limit of \$500 (with opportunities for later adjustments); limits contributions from city contractors and paid city lobbyists; and creates a democracy voucher program giving each participating Seattle voter \$100 in vouchers to contribute to political campaigns each election year</p>	<p>-Limits on campaign contributions in Los Angeles have been in place for almost four decades, and have been substantially strengthened over time</p> <p>-1990: Ethics Commission established/voluntary public matching funds program created</p> <p>-2012: Campaign Finance Ordinance ammendments limit per-person contributions to \$700 for city council and \$1,300 for citywide candidates, indexed to the regional CPI for subsequent election years</p>	<p>-Individual campaign contributions have been limited since 1988, and are monitored by the New York city Campaign Finance Board (CFB)</p> <p>-1998: Contribution limits are reduced, ban placed on corporate contributions, matcing fund rate increased</p> <p>-2012: CFB mandates that all independent expenditures are disclosed with the city (expanded in 2014)</p> <p>2018: Individual campaign contribution limits dropped to \$1,000-\$2,000 depending on race, matching rate increased from 6:1 to 8:1</p>
Amount of independent expenditures	<p>2013: \$556,385</p> <p>2017: \$1.3 million</p> <p>2019: \$4.4 million (Includes mayor, city attorney, city council, ballot issue and independent expenditure campaigns)</p>	<p>2013: \$14.4 million</p> <p>2017: \$2.5 million (Includes mayor, city attorney, city controller, and city council elections)</p>	<p>2013: \$16 million</p> <p>2017: \$1.5 million (Includes mayor, public advocate, comptroller, borough president, and city council elections)</p>

Table 5
(cont.)

	Seattle	Los Angeles	New York
<i>Comparison of independent expenditures from labor vs. business</i>	Labor had an edge in independent expenditures in 2013 but business had an edge in both 2017 and 2019	Labor clearly contributed more through independent spending than business in 2013, less clear for 2017	Evenly split between labor and business
<i>City revenues</i>	All have per capita revenue above the median for US cities over time, which has more or less doubled over the forty-year period between 1977–2017. Revenue per capita for New York appears to be considerably higher than Seattle or Los Angeles every year with the exception of 2009.		
<i>Form of government</i>	Mayor/city council		
<i>Mayoral power</i>	Strong executive; proposes budget, signs legislation, appoints department directors, oversees day-to-day operations	Formally a strong mayor-council system, but mayor is relatively weak, has much less authority than most big city mayors; mayor’s office officially tasked with oversight of enforcement but some city council involvement	Strong; highly centralized structure similar to that of the federal government; mayor exerts strong control over enforcement
<i>City council power</i>	Strong; adopts city budget, approves mayoral appointees, levies taxes, makes and amends ordinances; 9 members (7 by district, 2 at large since 2015)	Strong, particularly council speaker; city council orders elections, levies taxes, authorizes public improvements, approves contracts, and adopts traffic regulations; 15 members from 15 council districts	Much larger than in other two cities with 51 council members; career bureaucrats who staff the city council exert control over the legislative process

Table 5
(cont.)

	Seattle	Los Angeles	New York
<i>Other important government institutions</i>	Strong culture of stakeholder participation through advisory councils; tradition of establishing tripartite committees on controversial issues, where representatives are expected to work through their differences and put forward a unified proposal to the mayor and city council	City Attorney has provided very legally conservative advice to the enforcement office regarding Legally conservative and strongly involved City Attorneys; LA City Administrative Officer (during this period, Miguel Santana, widely respected and viewed as a highly effective and non-political technocrat, supported economic arguments for MW and supported their proposal around administration and enforcement)implementation	Recent NYC government reforms mean labor standards cases in need of an administrative hearing are sent to the Office of Administrative Trials and Hearings (OATH), which has proved a roadblock for effective enforcement because of legally conservative rulings
<i>Other key facts</i>	Most of key players on all sides are socially liberal, support the City's antipoverty, environmental, LGBTQ and other non-profits	Importance of compromise, working to accommodate "reasonable requests" in political culture	

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Table 6

Organization of business interests by city

	Seattle	Los Angeles	New York
<i>Small businesses</i>	<p>Progressive Main Street Alliance (organization of small businesses; strategically organizes small businesses in places where there are local campaigns being waged for higher minimum wages, paid sick time and other progressive initiatives) provided support for ordinances; Robust local restauranteurs (more than full-service 1000 restaurants in 2014) key components of opposition (mostly from the mid-sized local restaurants rather than the large restaurant chains or small immigrant businesses)</p>	<p>Robust public displays of small business support organized by labor and worker advocates in City Council Hearings; Association of Restaurants (about 100 local restaurant owners) testified in favor of overall compensation model small business opposition</p>	<p>Small businesses were the rhetorical center of the paid sick leave and enforcement debates; small business support for paid sick leave (e.g., 105 small businesses in Small Businesses United, aligned with worker advocates); after de Blasio election, GoBizNYC, a new network of small business leaders formed (spokesperson from the Partnership for NYC, see below) to oppose paid sick leave and to “strengthen the voice of small immigrant and minority owned businesses and to create an environment where small businesses can create more jobs and build our city’s neighborhood economies”</p>

Table 6
(cont.)

	Seattle	Los Angeles	New York
<i>Major corporations</i>	Not publicly opposed to ordinances, but behind-the-scenes lobbying of mayor for carve-outs (e.g., Starbucks)	Involvement of Veronica Perez Associates (lobbying firm represented McDonald's and other large employers)	Partnership for New York City ("200 leading organizations, mostly international organizations that are headquartered in New York", e.g., Bloomberg, Bank of America, Citigroup, Deloitte, J.P Morgan Chase, and The New York Times) extremely involved in first round of paid sick leave debates during Bloomberg administration, not because of effects of proposed legislation on its members, but because of the signal about the "business climate" of NYC

Table 6
(cont.)

	Seattle	Los Angeles	New York
<i>Chambers of commerce and other employer organizations</i>	Seattle Chamber not affiliated with National because of ideological differences, mainly small and medium businesses; Biggest companies like Amazon, Microsoft, Weyerhaeuser and Starbucks were either not members or not particularly active in the chamber; Incorporated into the stakeholder process; Greater Seattle Business Association (LGBTQ business group); One Seattle Coalition, which was composed mostly of small and medium sized businesses	Valley Industry and Commerce Association—a business advocacy group founded in 1949 and based in the San Fernando Valley; the Central City Association (CCA), LA Chamber of Commerce, and Hollywood Chamber of Commerce, all advocated for longer phase-in periods for small businesses, non-profits, and franchises; Homeboys Industries and non-profits such as the LA Conservation Corps lobbied for MW carve-out for non-profits;	5 Boro Alliance of Chambers of Commerce organized by Partnership for NYC in opposition; Ethnic chambers of commerce and other small business organizations largely in favor of paid sick leave (e.g., New York Women’s Chamber of Commerce, the Bodega Association, the Korean-American Small Business Association, the U.S. Latin Chamber of Commerce, and the New York City Chapter of the National Association of Women Business Owners)

Table 6
(cont.)

	Seattle	Los Angeles	New York
Industry associations	<p>Seattle Restaurant Association (which also represented the hospitality sector), Washington Restaurant Association and the , represented employers, who wanted a phased-in approach to raising the minimum wage for all businesses, a temporary training wage allowed at a lower rate, and the ability to count health care, commissions, tips and bonuses towards total wages and the \$15 per hour minimum; International Franchise Association (IFA) and five local franchises sought a preliminary injunction against the law because it defined “large” employers as including all franchisees that were part of a chain with more than 500 employees anywhere in the nation</p>	<p>CA Restaurant Association lobbied for “total compensation model” (rejected on legal grounds); California Grocers Association advocated for longer phase-in period</p>	<p>New York State Restaurant Association, the Business Council of New York State—a state business advocacy group, the National Association of Theater Owners, the New York Night Life Association—largely representing nightclubs, the National Cleaners Association, and the Food Industry Alliance of New York State testified in city council hearings, focusing on how the proposed law would hurt the profits of small businesses.</p>

Table 6
(cont.)

	Seattle	Los Angeles	New York
<i>Powerful nonplayers</i>	Amazon, Microsoft, National Fast Food Chains (McDonalds tried to hire a lobbyist during this period but no one would take the work because they did not want to get on the wrong side of the fast food strikes.), real estate developers	Real estate developers	Real estate developers

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Notes

1. Authorship is equal.
2. Economic Policy Institute, [Minimum Wage Tracker](#).
3. [National Partnership for Women and Families](#).
4. Personal interview with director of community organization, October 23, 2020.
5. Personal interview with mayoral aide, October 22, 2020.
6. Personal interview with mayoral aide, October 22, 2020. Although beyond the scope of this article, some of Seattle’s most prominent employers who had remained on the sidelines during the Fight for \$15 and Paid Sick and Safe Time policy fights (and a few who supported these policies) were extremely exercised about the Secure Scheduling Bill proposed in 2016, and they wrote detailed letters to the council and the mayor. These employers included the Seattle Mariners and Costco.
7. Personal interview with mayoral aide, October 27, 2020.
8. Personal interview with labor advocate, September 16, 2020.
9. Seattle Ethics and Elections Commission.
10. Personal interview with mayoral aide, October 22, 2020.
11. Interviews with enforcement staff, May 30, 2017.
12. Mayoral talking points, untitled, from senior mayoral aide files.
13. 2015–2016 Seattle Office of Civil Rights Budget.
14. Overview and Initial Issues Identification, Office of Labor Standards and Minimum Wage staff Patricia Lee and Dan Eder, date prepared October 22, 2014.
15. Office of City Auditor, “[Seattle’s Paid Sick and Safe Time Ordinance Enforcement Audit](#).” The independent office of the city auditor was established in 1991 through a voter initiative that amended the city charter. The auditor is appointed by the city council to four-year terms.
16. Interviews with enforcement staff, May 30, 2017.
17. Interview with OLS official, October 30, 2019.
18. Personal interview with former employer organization lobbyist, November 30, 2020.
19. Personal interview with senior staff of worker advocacy organization, August 20, 2020.
20. Personal interview with senior staff of worker advocacy organization, December 21, 2020.
21. Personal interview with senior city council staffer, December 22, 2020.
22. Personal interview with senior staff of worker advocacy organization, August 20, 2020.
23. Personal interview with former mayoral staffer, December 22, 2020.

24. Personal interview with senior city council staffer, December 22, 2020.
25. Los Angeles City Ethics Commission.
26. Report from Bureau of Contract Administration, October 2015.
27. Personal interview with former employer organization lobbyist, November 30, 2020.
28. Personal interview with senior staff of labor advocacy organization, November 30, 2020.
29. Personal interview with OWS staff member, August 15, 2018.
30. Personal interview with mayoral staff members, August 16, 2018.
31. Personal interview with OWS staff member, August 15, 2018.
32. Personal interview with senior staff of worker advocacy organization, August 20, 2020.
33. Personal interview with senior staff of labor advocacy organization, November 30, 2020.
34. Personal interview with senior staff of worker advocacy organization, December 8, 2020.
35. Personal interview with staff of BCA, August 15, 2018.
36. Manhattan Chamber of Commerce press release, September 10, 2009.
37. Committee on Civil Service and Labor hearing transcript, March 22, 2013, p. 56.
38. Committee on Civil Service and Labor hearing transcript, March 22, 2013, pp. 220–21.
39. Committee on Civil Service and Labor hearing transcript, February 14, 2014, pp. 41–2.
40. Committee on Civil Service and Labor hearing transcript, February 14, 2014, p. 45.
41. Personal interview with OLPS staff member, June 4, 2019.
42. Committee on Civil Service and Labor hearing transcript, February 14, 2014, pp. 56–7.
43. Personal interview with former senior staff of union, November 18, 2020.
44. Personal interview with OLPS staff member, June 4, 2019.
45. Executive Order 18 in 2016.
46. Personal interview with city government employee, November 2020.
47. Personal interview with leader of labor advocacy organization, August 13, 2020.
48. While beyond the scope of this article, it is worth noting that from their earliest days, business elites played a central role in city administration. As Judd and Swanstrom (1998, 38) argue, “Local boosters assumed the lead in organizing public services when the absence threatened the economic vitality of the city....In the early 19th century, when confronted with a problem, the city’s aristocratic and merchant class would typically organize a committee to decide what to do.”

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