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Protecting Workers and Supporting Businesses Office of Worker Protections, City of Philadelphia, PA

Worker organizing, labor relationships, and worker power are part of the fabric of Philadelphia. Known as the City of Brotherly Love, The Birthplace of America and The Cradle of Liberty, Philly has long been home to a diverse and vibrant set of workers and entrepreneurs. And as community needs have evolved, so has its legal framework.

In December 2018, informed by the advocacy of Pennsylvania Association of Staff Nurses and Allied Professionals (PASNAP, Restaurant Opportunity Center, SEIU, Unite Here Local 274 and others, as well as the support of council member Helen Gym, Philadelphia passed the Fair Workweek Law. The law became effective January 1, 2020 and required covered employers to provide service, retail, and hospitality workers with a predictable work schedule. It also requires good faith estimates and 14 days advance notice of schedule, along with other protections. Covered employers include those with 250 or more employees worldwide and 30 or more locations worldwide, including chain establishments and franchises. Passage of the law strengthened connections between community organizers in allied healthcare, retail and beyond who had long been facing similar challenges. Passage also increased pressure on the Philadelphia City Council to create a home for the education and enforcement activities that would be required to carry out the law.

In early 2019, Mayor Jim Kenny's administration began to consolidate the infrastructure for education and enforcement of Fair workweek and related labor ordinances, looking to examples in <u>Seattle</u> and <u>New York</u>. The administration had initially created a Mayor's Office of Labor in 2016. This was the starting point towards consolidating the various labor functions which had previously existed within different parts of city government under one roof. Manny Citron, Chief of Staff shared "ordinances such as paid sick leave and wage theft were already on the books, passed late in the prior administration, but didn't really have the firepower needed. Timing of their passage, where they sat within the City's operational structure and competing priorities all influenced their effectiveness." Over the course of 2019, the Kenny administration engaged with the city council regarding the introduction of a resolution and related bill that would enable the formation of a new Department of Labor (DOL). By transitioning from an

office to a department, the labor functions and their structure would be codified in the city charter and the agency head would be a cabinet level position.

In May 2020, the bill was put to vote and the new Department of Labor was approved. "Before Kenny's administration, there wasn't really a mayor's Office of Labor, much less a department. With Fair Workweek, Mayor Kenny knew the city didn't have the necessary functions to serve businesses and workers and so he created a home - the Mayor's Office of Labor which later became the Philadelphia Department of Labor. Philly isn't the same size as Seattle or New York but their models provided important leading practices to guide the mayor's vision. Leadership was excited since people could see the vision and the standards that already existed in other parts of the US, but at the same time people were also cautious since Philly is unique. We wanted to build the Philly version of what we were seeing across the country but building something new takes time and city government work can be slow. " said Candace Chewning, Director of the Office of Worker Protections.

The new Department includes an Office of Employee Relations, the Office of Labor Relations, the Office of Worker Protections, the Office of Labor Standards, and the Living Wage Working Group.

Key Labor Functions

Descriptions below are provided on the website. For more information, please see the <u>Philadelphia</u> <u>Department of Labor homepage</u>.

The Office of Worker Protections advances and upholds worker protection laws through enforcement and outreach with a commitment to promoting economic security and racial justice. The Office of Worker Protections makes sure that those who work in the city are able to report a paid sick leave violation, report a wage theft violation, report a wrongful termination for parking employment and report a fair workweek violation. The office also provides compliance assistance and training to employers.

The **Office of Labor Standards** makes sure standards of work done on City contracts are consistent with the <u>The Davis-Bacon Act</u> and <u>Chapter 17-107</u> of the Philadelphia Code. They monitor City contracts for compliance with Prevailing Wage and Workforce Diversity Standards.

The **Office of Labor Relations** negotiates and administers collective bargaining agreements with the City's municipal labor unions. Labor Relations also handles dispute resolution between the City and the labor unions related to Grievances, **Arbitrations** and Unfair labor practices. Labor Relations works with City management on all matters of collective bargaining and arbitration on behalf of the City. They develop and lead training programs for City employees to promote effective labor relations.

The **Board of Labor Standards** reviews and adjudicates matters related to enforcement of the City's worker protection laws. These include violations related to Wage theft, Sick leave, including COVID-19 amendments, COVID-19 retaliation, Fair Workweek law, Domestic Worker Bill of Rights, Just Cause for Parking Workers and Prevailing wage. Companies can appeal determinations from the Department of Labor's Office of Worker Protections and Office of Labor Standards to this board and they may conduct evidentiary hearings as necessary.

The **Office of Employee Relations** serves as a resource to all employees, as well as a strategic partner to supervisors, managers, and leaders. They develop and administer policies and deliver programs and services for a large, diverse workforce. They also address and resolve workplace issues and deliver programs and services related to employee protections and benefits.

The Department of Labor coordinates closely with other agencies, both through formal and informal channels. Citron shared, "each Department - Health, Commerce, Licenses & Inspections, etc - has its own mandate, as specified by city charter, but there is constant communication at the commissioner, deputy commissioner and staff levels. We look for opportunities within existing structures to create closer alignment, for example, I also serve on our workforce board and this provides insight into career pathways that could provide opportunities for engagement with workers on rights or businesses on changes in labor laws. The Department of Labor is also very intentional about working across the table with the business community. We believe that engagement with the business community and being accessible to employers if they reach out to us proactively with questions related to compliance allows us to better serve our mandate of protecting workers.

An Office of Worker Protections is Born

In 2019, the Office of Worker Protections (OWP) was founded with three employees, two of which, including the office's current director Candace Chewning, were organizers who had been active in the fight for Fair Workweek. OWP is charged with the critical task of educating employers, protecting Philadelphia's 700,000 workers and enforcing violations related to paid sick leave, wage theft, wrongful termination and fair workweek. The office serves as the voice of people and provides a safe place for workers to express concerns and employers to receive help and guidance. It also takes on the task of investigating non compliance and pursuing resolution.

Since its inception, the office has grown from 3 individuals to 10 and it is expected to reach 15 staff by the end of the year. Growth is driven by both additional laws that have been passed, such as the COVID-19 Paid Sick Leave, the Domestic Worker Bill of Rights and Wrongful Discharge from Parking Employment and the needs of the public. Inquiries and complaints continue to rise as the community gains greater awareness of its existence and the services it provides.

Data Snapshot

- In 2019, the Office of Worker Protections received 310 inquiries and saw 89 complaints filed
- In 2022, the Office of worker Protections received nearly 1000 inquiries and saw nearly 200 filed
- By the midpoint of 2023, the Office of Worker Protections had received 649 inquiries and seen 136 complaints filed.
- By the end of 2023, Worker Protections expects that inquiries and complaints will be 25-50% higher than last year.

For more details, check out the <u>annual and bi-annual Policy and Compliance Reports</u> which provide a summary of operations.

"The work is constantly growing but my team and I love what we do. We are passionate about serving people and we are a small but mighty team. As people learn that we are here, there are more and more needs. For me, as I have been an organizer for years, moving into this role was a natural transition as a lot of the labor laws and their enforcement isn't that different from reading contracts and enforcing collective bargaining as I was doing in my prior role with PASNAP. Enforcement is about the people who are covered by these laws are also interacting with them. My first steps were focused on increasing visibility and accessibility of the OWP and standardizing our internal processes. All of which we are still doing." says Chewning.

OWP is structured by function. Staff are organized into an external arm which focuses on engagement and communications and an internal arm which focuses on compliance and investigation. Its current operating budget, which is shared with the Office of Labor Standards, is \$2M in 2023. The office has a dedicated communications professional who leads their social media outreach as well as staff with specialized skills in the various Philadelphia labor laws. Because of the diversity of the community, foreign language and multicultural knowledge are key skills for this work. OWP currently has in-house capabilities to deliver programming in 5 languages and then contracts with other vendors to provide real-time resources in 20 other languages.

The work is complex and far reaching so OWP also partners with a wide variety of community based organizations, and other trusted communicators, ranging from community health organizations to local mosques, to put knowledge and resources into community hands. Partners provide training on worker rights, connect local employers to resources and serve as an early warning system for OWP when workers are experiencing inappropriate or even illegal behaviors. 42 partnerships were in place as of the time of this case study and efforts to expand their collaboration opportunities are ongoing. In 2023, Worker Protections launched a mini-grant process to increase community partnerships and co-enforcement and has deployed \$250,000 to 14 organizations to date to help fund this effort.

The Work of Protecting Philadelphians

The culture of the office is centered on serving people, both workers and employers. "The laws are relatively new and many of our businesses are small. Small businesses may not always have an in-house HR person, HR software, legal counsel or other support so we focus on making sure that they have the necessary knowledge and resources to understand and comply with the laws" says Chewning. The OWP starts from a place of education and engagement. Citron shared "If an employer comes in, OWP treats their inquiry as a request for guidance, they don't use the information as self-reporting. Chewning and her team go above and beyond to make sure businesses are not only aware of the resources but feel open to engaging in dialogue around fixing a challenge or preventing an issue before it starts."

The office takes a multifaceted approach to reach the community which includes:

- Running annual campaigns which prioritize different industries or laws in a targeted fashion
- Staffing a hotline for workers and for employers
- Using paid Facebook, LinkedIn, Instagram, Twitter and other social media advertising to reach the public
- Creating public service announcements and posting in public transport, public health and other populated locations
- Holding office hours for businesses, with virtual scheduling options, at a variety of community spaces across the city
- Developing toolkits, one pagers and other resources to help employers understand and comply.
 For example, employer compliance packets with excel sheets to track paid sick leave, wage and hours spreadsheet, fair workweek compliance package with examples of policies and breakdowns of the laws
- Pitching stories to local media and offering interviews with workers to raise awareness
- Performing drop in visits at employment sites for compliance
- Funding community organizations to provide staff training on the city's labor laws, administer anonymous surveys for community members and staff, using OWP-related communications resources for coordinated outreach and distributing OWP resources at community events
- Hosting interns from the community who bring fresh perspective on how to reach younger workers, such as the recent Barbie themed campaign on worker rights
- Philadelphia Dept. of Labor
 @LaborPHL

 These Barbies know their rights as workers in Philly, do you? Call us today with any questions or concerns at (215) 686-0802

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- Responding to tips from the hotline or partner organizations
- Partnerships with <u>311</u>, the Department of Health, Commerce, Economic Development, the Office
 of Immigrant Affairs, Small Business and many others

To date, more than 30% of complainants heard about the office from social media and another 30% from community partnerships making social media and partnerships key facets of the outreach strategy, but the work doesn't stop there. OWP continues to evolve its approach as it learns what individuals need. For example, Director Chewning shared "We have found that our franchise owners may not identify as part of a large business and may not realize that they need to comply with Fair Workweek requirements. These franchises really operate as small businesses. We are going around to these "small" businesses to give them the information, host private office hours and ensure they understand their responsibilities." Onsite visits include the provision of tools, a letter informing them of the laws that apply to them and an open invitation to answer questions or provide assistance. The visits also raise awareness in the community that the office exists and send a message that the Department of Labor cares about people and is actively out in the community.

Sometimes the outreach is complaint based. If, for example, OWP receives a retaliation complaint they may go onsite in an attempt to mediate it. During the pandemic, OWP partnered with the COVID 19 containment unit under the Philadelphia Department of Public health. Whenever Public Health identified that someone didn't want to stay home after exposure because they believed they wouldn't get paid leave, OWP would proactively contact the employer and the employee to communicate their rights and responsibilities. OWP and Public Health coordinated closely on a referral system to try and keep people safe at home, simultaneously increasing understanding of the laws.

While OWP makes every effort to support businesses, those who are perpetually non-compliant are flagged as bad actors. Bad actors are employers who are delinquent on resolving violations or are unresponsive. These employers are tracked, listed publicly in compliance reporting and where necessary, OWP will partner with local law enforcement to take appropriate legal action. More than \$135,000 in wages have been recovered and 61 cases closed in the first six months of 2023 alone. Citron also highlighted "OWP makes every effort to educate, engage and support businesses but when the business is a repeat offender or is not responding then additional action must be taken. Having commissioners make phone calls to large companies is one way to encourage a response. Publishing a list of bad actors, with trusted news sources, can also be a big motivator, if you build the ability to share the information publicly into your ordinances and agency structure. It not only creates a record of the actions taken but can incentivize compliance as employers may feel a sense of shame or concern for the impacts to their brand."

Lessons Learned Along the Way

While the office is just five years old, the agency has learned a great deal since its inception.

Lesson 1: Policymaker and executive level support is crucial

Modeling the structure of the office on existing, reputable entities such as Seattle's Office of Labor Standards provided useful insights to expedite the process but policy maker support was crucial to bring it to life. The initial leader of the Department of Labor was Richard Lazer, then Deputy Mayor. As a member of the mayor's cabinet, he had the necessary insights and influence to not only guide the creation of the agency but also ensure it had necessary funding, policy support and operational guidance to succeed. Lazer served as the City's chief labor negotiator, interacting on behalf of the Mayor with the Managing Director and other senior City officials—including members of City Council and other elected state and federal officials. He spearheaded key components of the Administration's priorities, including the \$400 million Rebuild Initiative and the City's COVID-19 Worker Relief Fund. This work enabled him to not only position OWP for success but also facilitate relationships across agency lines. In late 2022, Basil Merenda was appointed by Mayor Kenney as Director of Labor to succeed Lazer as took on other duties.

Without such senior support, creation of the agency may have faced more significant headwinds or delays. Citron shared "where you put the functions really matters. It influences the leadership, the culture, the mandate and the budget. As a new office, OWP really needed space to listen, test and iterate. This required being very intentional in both communications about the Department's role and

in the crafting of its budget. This also meant building in space for language services, for example, from the beginning as a part of the core operations, not an "add on" as many of the workers and businesses are non-native speakers. Ultimately, business compliance and worker protection is heavily reliant on individual's ability to understand their rights and responsibilities. Staffing, another core aspect of the budget, is also key. To do the work effectively, you need individuals with both a passion for advocacy and an appreciation of how to work from within the government system." With an upcoming mayoral election in 2023, and knowing the importance of policy maker support, OWP continues to remain closely engaged with existing officials, the transition team, and other agency leadership to ensure a smooth transition.

Lesson 2: Outreach, visibility and partnership are the secret sauce

Successfully supporting more than 700,000 workers across Philadelphia requires a strong network of partners. OWP continues to strengthen inter-agency collaboration, leaning into creative ways to get the word out and deliver services such as co-location, shared marketing and referral systems.

OWP targets their outreach in 25 languages, up from 17 just one year ago, and distributes multilingual resources using a wide network of trusted communicators. Workers, and business owners alike, are more likely to read and understand their rights and responsibilities when materials are delivered in their preferred language. Because of the large numbers of immigrants residing in the city, OWP works closely with the office of Immigrant Affairs to ensure their communications are culturally and linguistically appropriate. There is often a great deal of mistrust in the government by immigrant individuals, given their lived experiences. OWP frequently sees that information has been misunderstood or knowingly miscommunicated (e.g. employer telling an immigrant individual that they aren't covered by Fair Workweek even though they are) and direct outreach to the community provides an opportunity to correct those issues.

"Seeing workers understand their rights is very powerful and yet so easy to overlook as it is hard to count those realizations. But this is one of the reasons why outreach matters so much" shared Chewning. While the office has made immense progress there is still much work to be done. Individual relationships building, budget pressures, and modernization of hardware and software all require patience as the process can sometimes be slow. But ultimately the results have been overwhelmingly rewarding.

Lesson 3: Never stop listening

OWP is people focused. Its programs, communications, and support are designed with not for communities, based on what they want and need. Train the trainer sessions, toolkits to help businesses track compliance, one page tip sheets, and more were all created because Phildelphians told OWP what they needed. The office takes a listen, test and iterate approach, adapting their materials and outreach techniques based on the feedback received directly from businesses and workers. OWP leans heavily into social media as a communications mechanism having repeatedly heard from workers, and seen in their own data, that social media is the communications channel most accessible to them. The OWP

Community Outreach and Education Fund which provides grants to community organizations across the city is selected by a group of city and community stakeholders and includes surveys on OWP programming and services. On the business side, Chewing shared that "we have attempted a few incentive programs but to determine where to go next, we really need to understand what learning they need and how they would like to be reached. Then we will craft our next steps. It is easy to just center tracking the data, such as the numbers of complaints, but we keep our ears ever tuned to what the community needs. Needs evolve and we must evolve with them."

Lesson 4: Create a consolidated vision

Labor ordinances are often passed at different times and by different administrations. To maximize the impact of education and enforcement efforts, it is critical to partner closely with the city council in crafting language that will allow newer bills to build off existing regulations to create a sense of continuity. This can include implementing standard language in all labor bills, such as the ability to collect information (e.g. issue subpoenas) or publish results, so that this information is later available to apply enforcement mechanisms when required. Citron shared, "The nature of the legislative process is that bills generally tackle one specific topic or section of code. That's the way ordinances work, but it can lead to legislation appearing piecemeal. However, if you have a comprehensive vision for what you are trying to accomplish and a basic set of requirements, you can use each ordinance to build upon the last, effectively connecting the dots across the different bills. If each bill passed allows data to be collected, such as through subpoenas, then you have a legal mechanism to act, without that, enforcement has no teeth. If you write in the authority and requirement to speak publicly to non-compliance, then you can issue public reports of bad actors as a form of public record when there are issues. The more standard you make these requirements, the more connectivity you create between the ordinances, the more integrated your strategy will be."

Lesson 5: Consider the legal implications up front

While enforcement is a powerful way to protect workers and address non-compliance, doing so effectively requires working closely with the local government's legal team from inception of a bill. Proposed ordinances must be not only compliant with relevant state or federal laws but legally enforceable at the local level. Engaging with the legal team, which in Philadelphia sits in the solicitor's office, can provide an opportunity to talk through the potential ramifications of the policy, issues around enforcement that might occur and gaps that need to be addressed in language before a bill is final. This proactive approach enables the impacted agencies to be better prepared for potential issues, develop training or resources to support the impacted workers or businesses, as well as to proactively communicate to partners.

Vision for the Future

While the effort has had great success to date, the Office of Worker Protections has identified future opportunities for expansion to meet the needs of stakeholders and workers.

First, OWP seeks to deepen its relationships with law enforcement, experimenting with different enforcement methods that can be used to address non-compliance. In 2022, OWP filed its first complaint in court, which resulted in a pre-court settlement, and OWP expects that as the office grows and matures there will be additional opportunities to pursue legal action.

Secondly, the volume of wage theft continues to increase which has prompted OWP to pursue licensing actions that can be used to address bad actors. OWP is examining opportunities for deeper partnerships and establishment of process infrastructure with offices such as Economic Development, Small Business Administration, where compliance and enforcement actions might be tied to applications and renewals.

Finally, as nearly three years have passed since Fair Workweek was implemented, and extensive outreach, education, and technical assistance has been delivered to businesses across the city, OWP is exploring a collaboration with law enforcement to create opportunities for large-scale enforcement actions. Such actions would allow OWP to address non-compliance by sectors, neighborhood, zip codes or other grouping.

Resources for Others Interested In Implementing Similar Work

- Philadelphia Worker Protection Resources (English) Provides resources organized by law
- <u>Fair Workweek Law video</u> Details employer requirements and worker rights in a short video format
- Equitable Community Engagement Toolkit Provides information on how to create the right conditions and address common challenges for equitable engagement. Includes a toolkit with resources for centering community, working together and much more
- <u>Seattle Office of Labor Standards</u> Example of how work has been structured in other areas of the country
- <u>The Center for Law and Social Policy Labor Standards Enforcement Webinar: Strategic</u> <u>Enforcement</u> - Webinar on and for labor standards enforcement agency officials and advocates.
- <u>Philadelphia Domestic Worker Task Force Spring Report</u>- Provides information on the impact of the Philadelphia Domestic Worker Bill of Rights, best practices and challenges to enforcement.

Contact Information

Candace Chewning, Director, Office of Worker Protections City Hall, Room 205 Philadelphia, PA 19107 candace.chewning@phila.gov