

**MAYOR'S OFFICE OF LABOR  
FISCAL YEAR 2018 BUDGET TESTIMONY**

**DEPARTMENT MISSION & PLANS**

**Mission:** The mission of the Mayor's Office of Labor (MOL) is to provide a stable labor environment in Philadelphia by building effective partnerships between management and the labor organizations representing City employees; ensuring that vendors doing business with the City meet any prevailing or living wage requirements applicable to their contract; conducting outreach and enforcement related to Paid Sick Leave, Wage Theft, and related issues; and serving as the primary point of contact for the labor community.

**Plans for Fiscal Year 2018:**

**Labor Relations:** Labor Relations is tasked with negotiating successor agreements with the following unions in FY18: DC 47, Local 2187, Local 2186 and Local 810; DC 33, Local 159B (Correctional Officers) and Local 1971 (Housing); Fraternal Order of Police, Lodge 5 and Deputy Sheriffs and International Association of Fire Fighters, Local 22.

In order to fulfill its mission, Labor Relations plans to increase the number of training opportunities for managers and supervisors to assist them in their daily interactions in a unionized environment. The program will develop a plan of action for current managers and supervisors who have yet to be trained and will work with the Office of the Chief Administrative Officer (CAO) to identify newly hired or promoted supervisors to receive labor relations training within their first three months of hire.

Labor Relations will also coordinate with the Law Department's Labor and Employment Unit to hold quarterly case study reviews for the human resources community. These reviews could detail legal wins, losses, or settlements as well as cases held in front of the Labor Board. The goal would be to use real cases as a training tool to help the community with future disciplinary actions, grievances or arbitrations. Reviews would be open to human resource professionals and departmental leaders.

**Labor Policy and Compliance:** *The Office of Labor Standards (OLS):* From FY18-22, OLS will focus on education and outreach to ensure that vendors are properly trained to submit documents on the LCP Tracker platform. The goal will be to minimize minor compliance issues such as late submission of payrolls, and clerical and inputting errors. Major compliance issues, such as cases where restitution is owed to employees on projects, are an enforcement priority for OLS. OLS will work aggressively with vendors during the life of the Plan to reduce major compliance issues from approximately 12-15% to less than 10% of contracts.

*Paid Sick Leave and Wage Theft Unit:* From FY18-22, the Unit will implement outreach strategies to ensure that residents in every neighborhood of Philadelphia are properly informed of their rights to paid sick leave and understand how to file a complaint if those rights are violated. The Unit will also continue establishing relationships with organizations that reach communities where English is a second language; partner with current stakeholders to continuously assess data trends and identify areas where it can improve enforcement of the laws; continue its process of internal review to ensure that investigation of complaints and inquiries is managed effectively and efficiently; and maintain its membership with the Center for Legal and Social Policy in order to continue learning best practices from other states and municipalities.

MAYOR'S OFFICE OF LABOR

**BUDGET SUMMARY & OTHER BUDGET DRIVERS**

Staff Demographics Summary (as of December 2016)				
	Total	Minority	White	Female
Number of Full-Time Staff	14	9	5	9
Number of Civil Service-Exempt Staff	14	9	5	9
Number of Executive Staff (deputy level and above)	3	1	2	2
Average Salary, Full-Time Staff	\$62,974	\$50,611	\$85,228	\$64,556
Average Salary, Civil Service-Exempt Staff	\$62,974	\$50,611	\$85,228	\$64,556
Average Salary, Executive Staff	\$108,667	\$106,000	\$110,000	\$120,500
Median Salary, Full-Time Staff	\$51,250	\$40,000	\$85,000	\$52,500
Median Salary, Civil Service-Exempt Staff	\$51,250	\$40,000	\$85,000	\$52,500
Median Salary, Executive Staff	\$106,000	\$106,000	\$110,000	\$120,500

Employment Levels (as of December 2016)		
	Budgeted	Filled
Number of Full-Time Positions	16	14
Number of Part-Time Positions	0	0
Number of Civil-Service Exempt Positions	16	14
Number of Executive Positions	4	3
Average Salary of All Full-Time Positions	\$64,974	\$62,974
Median Salary of All Full-Time Positions	\$52,250	\$51,250

General Fund Financial Summary by Class						
	FY16 Original Appropriations	FY16 Actual Obligations	FY17 Original Appropriations	FY17 Estimated Obligations	FY18 Proposed Appropriations	Difference: FY18-FY17
Class 100 - Employee Compensation	n/a	\$496,053	\$1,082,792	\$1,072,792	\$1,538,459	\$465,667
Class 200 - Purchase of Services	n/a	\$5,248	\$5,277	\$11,277	\$17,277	\$6,000
Class 300 - Materials and Supplies	n/a	\$6,558	\$6,560	\$9,560	\$10,060	\$500
Class 400 - Equipment	n/a	\$1,575	\$1,600	\$1,600	\$1,600	\$0
Class 500 - Contributions	n/a	\$0	\$0	\$0	\$0	\$0
Class 700 - Debt Service	n/a	\$0	\$0	\$0	\$0	\$0
Class 800 - Payment to Other Funds	n/a	\$0	\$0	\$0	\$0	\$0
Class 900 - Advances/Misc. Payments	n/a	\$0	\$0	\$0	\$0	\$0
	<b>\$0</b>	<b>\$509,434</b>	<b>\$1,096,229</b>	<b>\$1,095,229</b>	<b>\$1,567,396</b>	<b>\$472,167</b>

**Note:** The Mayor's Office of Labor does not have any professional services contracts.

**PROPOSED BUDGET OVERVIEW**

**Proposed Funding Request:**

The proposed Fiscal Year 2018 General Fund budget totals \$1,567,396, an increase of \$472,167 over Fiscal Year 2017 estimated obligation levels. This increase is primarily due to staff being transferred from other Departments to the Mayor's Office of Labor.

The proposed budget includes:

- \$1,538,459 in Class 100, a \$465,667 increase over FY17. This funding will be used to cover staff expenses related to a new Equal Employment Opportunity (EEO) Unit within Labor Relations. The EEO function was previously housed within the Office of Human Resources; however, the work is most closely aligned with the grievance resolution operations conducted by Labor Relations. Moving EEO to Labor Relations will facilitate collaboration, sharing of information/resources and better outcomes for the City in grievances and EEO disputes. The Labor Policy and Compliance Program will be hiring one additional staff person to support work on Paid Sick Leave and Wage Theft Prevention. Other Class 100 funding was transferred from the Office of the Mayor to the Mayor's Office of Labor to account for two employees being transferred to the Mayor's Office of Labor's budget.
- \$17,277 in Class 200, a \$6,000 increase over FY17. This funding will be used to offset expenses related to the new EEO team including covering expenses to facilitate EEO training for City staff.
- \$10,060 in Class 300, a \$500 increase over FY17. This funding will be used to cover office supply costs related to the new EEO unit.
- \$1,600 in Class 400. No change over FY17 levels.

MAYOR’S OFFICE OF LABOR

**STAFFING LEVELS**

The department is requesting 22 budgeted positions for FY18, an increase of 6 positions over FY17 original appropriations.

The increase is attributed to a new Equal Employment Opportunity (EEO) Unit within Labor Relations. The EEO function was previously housed within the Office of Human Resources; however, the work is most closely aligned with the grievance resolution operations conducted by Labor Relations. Moving EEO to Labor Relations will facilitate collaboration, sharing of information/resources and better outcomes for the City in grievances and EEO disputes.

The Labor Policy and Compliance Program will be hiring one additional staff person to support work on Paid Sick Leave and Wage Theft Prevention.

Other Class 100 funding was transferred from the Office of the Mayor to the Mayor’s Office of Labor to account for two employees being transferred to the MOL budget.

**NEW HIRES**

New Hires (January 2017- present)	
	Total Number
Black or African American	1
White	2
Total	3

**PERFORMANCE, CHALLENGES, AND INITIATIVES**

FY18 Performance Measures: Labor Relations				
Measure	FY16 Actual	FY17 YTD (Q1 & Q2)	FY17 Estimate	FY18 Target
Engage with OHR and the CAO in FY18 to develop a series of benchmarks for labor relations training [ <i>milestone</i> ]	N/A			OLR will conduct outreach to departments to target managers / supervisors to be trained in FY18

FY18 Performance Measures: Labor Policy and Compliance				
Measure	FY16 Actual	FY17 YTD (Q1 & Q2)	FY17 Estimate	FY18 Target
Percent of prevailing wage projects with compliance issues *	12-15% (estimated)			< 10.0%
Number of paid sick leave and wage theft complaints submitted and investigated *	N/A			15
Number of paid sick leave and wage theft violations found *	N/A			7

*\*The office will begin tracking these measures in FY18.*

**OTHER BUDGETARY IMPACTS**

**Federal and State (Where Applicable)**

The Mayor's Office of Labor is not funded through Federal or State funding and does not foresee any budgetary impact due to changes in those funding streams.

MAYOR'S OFFICE OF LABOR

**CONTRACTING EXPERIENCE**

**Note:** The Mayor's Office of Labor does not have any professional services contracts.

MAYOR'S OFFICE OF LABOR

**EMPLOYEE DATA**

<b>Staff Demographics (as of December 2016)</b>					
<b>Full-Time Staff</b>			<b>Executive Staff</b>		
	Male	Female		Male	Female
	African-American	African-American		African-American	African-American
<i>Total</i>	3	6	<i>Total</i>	0	1
<i>% of Total</i>	21%	43%	<i>% of Total</i>	0%	33%
<i>Average Salary</i>	\$42,333	\$54,750	<i>Average Salary</i>	-	\$106,000
<i>Median Salary</i>	\$40,000	\$40,500	<i>Median Salary</i>	-	\$106,000
	White	White		White	White
<i>Total</i>	2	3	<i>Total</i>	1	1
<i>% of Total</i>	14%	21%	<i>% of Total</i>	33%	33%
<i>Average Salary</i>	\$86,821	\$84,167	<i>Average Salary</i>	\$85,000	\$135,000
<i>Median Salary</i>	\$86,821	\$65,000	<i>Median Salary</i>	\$85,000	\$135,000
	Hispanic	Hispanic		Hispanic	Hispanic
<i>Total</i>	0	0	<i>Total</i>	0	0
<i>% of Total</i>	0%	0%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	-	-	<i>Average Salary</i>	-	-
<i>Median Salary</i>	-	-	<i>Median Salary</i>	-	-
	Asian	Asian		Asian	Asian
<i>Total</i>	0	0	<i>Total</i>	0	0
<i>% of Total</i>	0%	0%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	-	-	<i>Average Salary</i>	-	-
<i>Median Salary</i>	-	-	<i>Median Salary</i>	-	-
	Other	Other		Other	Other
<i>Total</i>	0	0	<i>Total</i>	0	0
<i>% of Total</i>	0%	0%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	-	-	<i>Average Salary</i>	-	-
<i>Median Salary</i>	-	-	<i>Median Salary</i>	-	-
	Bilingual	Bilingual		Bilingual	Bilingual
<i>Total</i>	0	0	<i>Total</i>	0	0
<i>% of Total</i>	0%	0%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	-	-	<i>Average Salary</i>	-	-
<i>Median Salary</i>	-	-	<i>Median Salary</i>	-	-
	Male	Female		Male	Female
<i>Total</i>	5	9	<i>Total</i>	1	2
<i>% of Total</i>	36%	64%	<i>% of Total</i>	33%	67%
<i>Average Salary</i>	\$60,128	\$64,556	<i>Average Salary</i>	\$85,000	\$120,500
<i>Median Salary</i>	\$50,000	\$52,500	<i>Median Salary</i>	\$85,000	\$120,500



MAYOR'S OFFICE OF LABOR

**NUMBER OF BILINGUAL EMPLOYEES**

MOL has no bilingual employees on its budget. In the event that non-English speakers are encountered, the Office will utilize the City's Language Access Line.