

**MAYOR'S OFFICE OF LABOR
FISCAL YEAR 2020 BUDGET TESTIMONY**

DEPARTMENT MISSION & PLANS

Mission: The Mayor's Office of Labor (MOL) builds partnerships between management and the labor organizations representing City employees and non-City employees. As the City's main point-of-contact for the labor community, the Office: handles negotiations between City unions and City management; responds to unfair labor practice charges filed against the City; represents the City in union disputes; manages the City's Employee Relations and Equal Employment Opportunity (EEO) functions; makes sure that employers with City contracts pay prevailing wages; resolves minimum-wage waiver requests; administers and enforces the City's wage theft and sick leave laws.

Plans for Fiscal Year 2020:

Labor Relations: The Mayor's Office of Labor Relations is tasked with negotiating successor agreements with all of the major unions in FY21: AFSCME DC 33, including Correctional Officers, AFSCME DC 47, Local 2187, Local 2186 and Local 810; FOP, Lodge 5 and Deputy Sheriffs; and IAFF, Local 22; therefore, much of the preparation for these processes must begin in FY20.

In FY19, the Employee Relations Unit (ERU) and the Labor Unit increased the number of training opportunities for managers and supervisors to assist them in their daily interactions in a unionized environment. In FY20, the program will continue to identify current managers and supervisors who have yet to be trained and will identify newly hired or promoted supervisors to receive labor relations and the various employee relations trainings within their first three months of hire. The ERU will continue to roll out the anti-sexual harassment training to all employees on a recurring basis.

Labor Relations will focus on providing specific trainings to departments on labor matters. This will be accomplished by partnering with the Law Department to review case studies on past arbitrations and unfair labor practices decided by either an arbitrator or by the Pennsylvania Labor Relations Board (PLRB). The goal will be to use real cases as a training tool to help the community with future disciplinary actions, grievances or arbitrations.

In FY19, The OLR created a business partner model to provide structured guidance to departments on both labor- and employee-related matters.

Benefits and Compliance: The Benefits and Compliance Unit will finish reestablishing its online presence. The unit will also be modernizing and streamlining enforcement and education. This will involve educating businesses, expanding our outreach to immigrant communities, and simplifying the complaint process. The unit will also be preparing for the enforcement and education of the Fair Work Week ordinance.

Labor Standards: The Labor Standards Unit's goal for FY19 is educating vendors through training and outreach on prevailing wage for City projects. The intent of this goal is to keep major compliance issues under 10%. This has been a success, as Labor Standards was able to decrease compliance issues to under 5%. Labor Standards will work to maintain prevailing wage compliance at these levels in FY20.

Labor Standards will also work to strengthen enforcement of Workforce Diversity on city projects. In FY20, the Unit will continue its partnership with the Procurement Department to educate and train vendors on Workforce Diversity requirements. Additionally, the Labor Standards Unit has updated its review process

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for Workforce Diversity per Bill No. 180704, to focus on the 25% completion point (of projected labor hours and of total contract value) of contracts. This will allow the Unit to more efficiently identify problems and conduct enforcement actions as necessary when best and good faith efforts are not being made.

In FY20, the Labor Standards Unit will begin prevailing wage and workforce diversity compliance on Rebuild projects. The workload for this part of the Labor Standards portfolio is expected to grow as additional Rebuild projects enter the construction phase over the next several months.

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BUDGET SUMMARY & OTHER BUDGET DRIVERS

Staff Demographics Summary (as of November 2018)				
	Total	Minority	White	Female
Number of Full-Time Staff	22	12	10	13
Number of Exempt Staff	22	12	10	13
Number of Executive Staff (deputy level and above)	6	1	5	2
Average Salary, Full-Time Staff	\$69,341	\$52,396	\$89,676	\$63,023
Average Salary, Exempt Staff	\$69,341	\$52,396	\$89,676	\$63,023
Average Salary, Executive Staff	\$117,702	\$109,180	\$119,180	\$124,115
Median Salary, Full-Time Staff	\$50,728	\$47,638	\$91,413	\$49,440
Median Salary, Exempt Staff	\$50,728	\$47,638	\$91,413	\$49,440
Median Salary, Executive Staff	\$109,180	\$109,180	\$109,180	\$124,115

Employment Levels (as of November 2018)		
	Budgeted in FY19	Filled as of the Increment Run (11/18)
Number of Full-Time Positions	23	22
Number of Exempt Positions	23	22
Number of Executive Positions (deputy level and above)	6	6
Average Salary of All Full-Time Positions	\$69,341	\$69,341
Median Salary of All Full-Time Positions	\$50,728	\$50,728

General Fund Financial Summary by Class						
	FY18 Original Appropriations	FY18 Actual Obligations	FY19 Original Appropriations	FY19 Estimated Obligations	FY20 Proposed Appropriations	Difference: FY20-FY19
Class 100 - Employee Compensation	\$1,588,459	\$1,425,750	\$1,562,009	\$1,829,166	\$2,021,091	\$191,925
Class 200 - Purchase of Services	\$17,277	\$9,488	\$173,277	\$173,277	\$291,277	\$118,000
Class 300/400 - Materials, Supplies & Equipment	\$11,660	\$10,263	\$11,660	\$11,660	\$58,460	\$46,800
	\$1,617,396	\$1,445,501	\$1,746,946	\$2,014,103	\$2,370,828	\$356,725

Note: The Office does not have any professional services contracts.

PROPOSED BUDGET OVERVIEW

Proposed Funding Request:

The proposed Fiscal Year 2020 General Fund budget totals \$2,370,828, an increase of \$356,725 over Fiscal Year 2019 estimated obligation levels. This increase is primarily due to additional positions to allow the Office to provide necessitated support under the Sexual Harassment Policy and to fulfill its new responsibilities under the Fair Workweek law. Funding will also be used for workstation build-outs, training, and office supplies for the new positions. A portion of the increase will also cover arbitrator, court reporter, and hearing room rental fees that are needed for Union Contract Negotiations.

The proposed budget includes:

- \$2,021,091 in Class 100, an increase of \$191,925 from FY19. This funding will be used for additional positions dedicated to our Employee Relations Unit to provide the level of service necessitated by the Home Rule Charter, Executive Order and the Sexual Harassment Prevention Policy. This funding will also fund positions to fulfill the administrative, enforcement and outreach responsibilities related to the Fair Work Week law. In addition, this funding will put a grant employee back onto the General Fund and cover 3% exempt salary increases.
- \$291,277 in Class 200, a \$118,000 increase from FY19. This funding will be used for Labor Contract Negotiation payments which include arbitrator, court reporter and hearing room rental fees. A portion of this funding will also go towards seminar, trainings and moving services for the Employee Relations and Fair Work Week support staff.
- \$58,460 in Class 300/400, a \$46,800 increase FY19. This funding will cover the costs of workstation build-outs and office supplies for Employee Relations and Fair Work Week support.

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STAFFING LEVELS

The department is requesting 29 budgeted positions for FY20, an increase of 6 positions from FY19.

The increase is attributed to additional staff to provide support to both the Employee Relations Unit for Sexual Harassment Prevention and to fulfill the administrative, enforcement and outreach responsibilities related to the Fair Work Week law.

NEW HIRES

New Hires (from 7/1/2018 to 11/25/18)	
	Total Number of New Hires
Black or African American	1
Total	1

Since the increment run, the Mayor’s Office of Labor hired one White female.

PERFORMANCE, CHALLENGES, AND INITIATIVES

LABOR RELATIONS PROGRAM

FY20 Strategic Goals				
<ul style="list-style-type: none"> Develop and implement a City-wide “business partner” model where every department would have a dedicated staff person to be a point-of-contact and assist with labor/employee-related questions or issues. Work with the Office of Innovation and Technology’s Innovation Management unit to conduct labor management meetings with District Council 47 and several City departments on managing exempt employees and grant-funded projects. Develop and implement a City-wide review process with all departments to ensure timely and accurate compliance with the legislative requirement that all employees must attend Sexual Harassment Prevention training. Work with departments to implement the database establishing a City-wide centralized case management system. 				
FY20 Performance Measures				
Measure	FY18 Actual	FY19 YTD (Q1 + Q2)	FY19 Target	FY20 Target
Number of employees trained by Office of Labor Relations and the Employee Relations Unit ¹	2,594	N/A	OLR will do outreach to departments to target managers and supervisors to be trained in FY19	Increase from FY18 year-end

¹ This is an annual measure, and FY19 data will be available at year-end. The target is to meet or exceed the number of employees trained in FY18 by Office of Labor Relations and the Employee Relations Unit.

LABOR POLICY AND COMPLIANCE PROGRAM

FY20 Strategic Goals				
<ul style="list-style-type: none"> Develop and implement compliance protocol that provides for escalating enforcement of Workforce Diversity on City prevailing wage contracts. Convene a working group of internal and external stakeholders to propose guidance for the City’s new Fair Workweek ordinance. Begin enforcement of the City’s Fair Workweek ordinance in FY20 Q3. Engage in outreach prior to the effective date of the Fair Workweek Ordinance to educate the business community on compliance requirements. 				
FY20 Performance Measures				
Measure	FY18 Actual	FY19 YTD (Q1 + Q2)	FY19 Target	FY20 Target
Percent of prevailing wage projects with compliance issues	8.8%	3.2%	< 10.0%	< 6.0%
Number of paid sick leave and wage theft complaints submitted and investigated ¹	19	13	15	20
Number of paid sick leave and wage theft inquiries received and responded to ²	248	119	225	225

¹ The number of complaints varies from quarter-to-quarter. The target for this measure is a projected number of complaints.

² Inquiries include members of the public reaching out regarding the appropriate interpretation of applicable law. The target for this measure is a projected number of inquiries.

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.

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CONTRACTING EXPERIENCE

Note: The Office does not have any professional services contracts.

EMPLOYEE DATA

Staff Demographics (as of November 2018)					
Full-Time Staff			Executive Staff		
	Male	Female		Male	Female
	African-American	African-American		African-American	African-American
<i>Total</i>	4	7	<i>Total</i>	0	1
<i>% of Total</i>	18%	32%	<i>% of Total</i>	0%	17%
<i>Average Salary</i>	\$49,569	\$54,360	<i>Average Salary</i>	N/A	\$109,180
<i>Median Salary</i>	\$50,213	\$41,200	<i>Median Salary</i>	N/A	\$109,180
	White	White		White	White
<i>Total</i>	5	5	<i>Total</i>	5	1
<i>% of Total</i>	23%	23%	<i>% of Total</i>	83%	17%
<i>Average Salary</i>	\$101,587	\$77,765	<i>Average Salary</i>	\$114,495	\$139,050
<i>Median Salary</i>	\$99,025	\$64,375	<i>Median Salary</i>	\$104,103	\$139,050
	Hispanic	Hispanic		Hispanic	Hispanic
<i>Total</i>	0	1	<i>Total</i>	0	0
<i>% of Total</i>	0%	5%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	N/A	\$49,955	<i>Average Salary</i>	N/A	N/A
<i>Median Salary</i>	N/A	\$49,955	<i>Median Salary</i>	N/A	N/A
	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>	N/A	N/A	<i>Average Salary</i>	N/A	N/A
<i>Median Salary</i>	N/A	N/A	<i>Median Salary</i>	N/A	N/A
	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>	N/A	N/A	<i>Average Salary</i>	N/A	N/A
<i>Median Salary</i>	N/A	N/A	<i>Median Salary</i>	N/A	N/A
	Bilingual	Bilingual		Bilingual	Bilingual
<i>Total</i>	0	1	<i>Total</i>	0	0
<i>% of Total</i>	0%	5%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	N/A	\$38,368	<i>Average Salary</i>	N/A	N/A
<i>Median Salary</i>	N/A	\$38,368	<i>Median Salary</i>	N/A	N/A
	Male	Female		Male	Female
<i>Total</i>	9	13	<i>Total</i>	4	2
<i>% of Total</i>	41%	59%	<i>% of Total</i>	67%	33%
<i>Average Salary</i>	\$78,468	\$63,023	<i>Average Salary</i>	\$114,495	\$124,115
<i>Median Salary</i>	\$51,500	\$49,440	<i>Median Salary</i>	\$104,103	\$124,115

LANGUAGE ACCESS

1. Has your leadership received language access training?

Yes, in November 2017.

2. Do you currently have a language access coordinator?

Yes – Yuan Huang.

3. Has your department written a language access plan and is it posted online?

The Mayor's Office of Labor is included under the language access plan for the Mayor's Office. This plan is available here:

<https://www.phila.gov/documents/language-access-plans/>

4. Explain what your department has done to improve language access services over the past year.

In addition to adhering to the Mayor's Office language access plan, the Mayor's Office of Labor has partnered with the Office of Immigrant Affairs to draft multi-lingual flyers related to the Philadelphia's Paid Sick Leave and Wage Theft Prevention ordinances. In FY20, we will continue this partnership with OIA to draft multi-lingual fliers around the City's new Fair Workweek ordinance.