

The Voter

A Publication of the League of Women Voters of Seattle-King County

APRIL 2014

VOL. 55, No. 9

Throwing Light on a Timely “Hot Topic” —Minimum and Living Wage

by Betty Sullivan

It seems that we can't pick up a newspaper these days without finding an article about the minimum wage, living wage, or wage disparity on the local, state, or national level. This topic has generated a lot of heat locally, so the Seattle/King County League proposed it to the Economics and Taxation Committee as a “hot topic” for study in April. The background material in this edition of *The Voter* is called An Overview of Minimum and Living Wage Laws. This information will help members increase their understanding of these issues.

The idea of a minimum wage is not new. Massachusetts became the first place in America to introduce a minimum wage back in 1912, but it would take another quarter century before a national minimum wage was set. President Franklin Roosevelt made it law in 1938 that any hourly worker had to be paid at least 25 cents an hour. This was revolutionary and very few countries had anything like it.

Every few years the federal minimum wage would go up, helping millions of Americans move closer to a middle-class lifestyle. However, something changed in the early 1970s and since then, the purchasing power of the minimum wage has fallen by around 25%. Today the federal minimum wage is \$7.25. But to equal the buying power of the 1968 minimum wage, takes \$10 an hour in today's money.

President Obama and many in Congress are proposing a minimum wage of \$10.10 an hour by 2016. An estimated 27.8 million people

would earn more money under this proposal. Most of these people do not fit the low-wage stereotype of a teenager with a summer job. Their average age is 35; most work full time; more than one-fourth are parents; and, on average, they earn half of their families' total income.

However, many in Congress are not influenced by these facts. Moreover, many low-wage employers, notably restaurant owners and executives, are opposed to raising the minimum wage, arguing that increasing costs would lead to job losses.

This debate is not a new one. Since 1938's New Deal legislation, the minimum wage has been a battlefield over government's role in the economy, over raw versus regulated capitalism, over corporate power versus public needs. As defined by the Fair Labor Standards Act of 1938 which established it, the minimum wage is a fundamental labor standard designed to protect workers, just as child labor laws and overtime pay rules do. Labor standards, like environmental standards and investor protections, are essential to a functional economy. Properly set and enforced, these standards check exploita-

continued on page 6

Rise and Shine for our
Spring Fundraising Breakfast
Wednesday, May 28, 7:30 to 9:00 a.m.
at the Seattle Westin
see page 8 for more details

Contents

President's Message	3
Calendar	4
Forum Schedule.....	5
Board Briefs.....	5
Committees.....	7
King County Connects	
We're Having a Party.....	8
League in Action	
Endorsement of KC Prop. I.....	9
National News.....	9
Olympia Wrap Up.....	9
Voter Services	
April 22 Special Election.....	10
KC Prop I Summary	10
Membership News	
Join the League.....	13
New Members	14
Features	
Education Committee Report.....	14
Transport. Committee Report.....	15
Book Review	16
Program	
Minimum Wage - Living Wage	17
Unit Meetings.....	29
Board and Committee Contacts	31

Contact Information

President: Ellen Barton
Voter Editor: Margaret Baker

League of Women Voters
of Seattle-King County
1620 18th Avenue, Suite 101
Seattle, WA 98122

Phone: 206-329-4848
Fax: 206-329-1273
info@seattlelww.org
www.seattlelww.org

Office Hours:
Weekdays, 9:00 a.m. – 5:00 p.m.

League of Women Voters of Washington
1402 Third Avenue, Suite 430
Seattle, WA 98101
206-622-8961
lwvwa@lwvwa.org
www.lwvwa.org

League of Women Voters of the United States
202-429-1965
lwv@lwv.org
www.lwv.org

Postal Regulations

The Voter is published monthly
except June and August by the League of
Women Voters of Seattle - King County,
1620 18th Ave, #101, Seattle, WA 98122.

Periodicals postage paid at
Seattle, WA.

Postmaster:
Send address changes to *The Voter*:

1620 18th Ave, Suite 101
Seattle, WA 98122
The Voter (ISSN 0888-8841)

Connecting with the Leadership

Putting the Passion Back in Program Planning

By Beatrice Crane, Program Co-chair

What's your passion? One of our units reminded us that this question should define and frame the program planning process. We need to identify topics that members feel so strongly about that they are not only willing but eager to get involved with them – and perhaps inspire other members as they do so. It's an approach that has been used in the past, and it is well worth reviving.

We are grateful to all of the units which commented about this year's program planning process and about our program in general, and we will attempt to respond. We are a grass roots organization, and ideally, our program comes from the members. Program planning has always been a balancing act, as we try to figure out what members want to hear about, what people want to work on, and what is feasible to accomplish. We tend to tweak the process a bit each year, according to our perception of what worked last year, what obstacles we encountered, how active our committees are, and whether we expect any studies to be ready for presentation in the coming year. Feedback from members is crucial to our ability to plan well.

One change this year was to eliminate the planning forum, and restrict our planning to units. One unit expressed gratitude for this; so far we have not heard any clamor to bring back the forum. But the two-part process in units may need to be simplified, or organized better; at least one unit had trouble negotiating it.

There were also some comments on the program itself. One unit expressed some reservations and caveats about the tendency to present hot topic forums rather than to do real studies. Among other things, it cited the danger of introducing bias. One answer to that is that studies tend to

be on topics on which we lack positions and would like to develop them; these must consider all sides of the issue. Hot topic forums, on the other hand, sometimes present issues on which we do have positions; they may be either education or action forums, and need not present all sides, though they must be fact-based. However, we do need to be careful to avoid any appearance of bias when we are presenting a topic on which we do not have positions.

Of course, we can only put on forums based on studies when studies are actually being done, and the fact is that as time goes on, fewer studies are being undertaken. There are many reasons for this. For many issues, positions already exist at either the National, State or local level which allow us to take action. Studies take time, usually either one or two years, and often the need to act has been overtaken by events before the study can be completed. Studies require a degree of commitment which many people are reluctant to make. And studies require a committee large enough that the success of the study does not depend on just one person.

So while we welcome studies, the impetus for them must come, again, from members with a passion and a will to bring them to completion. If you have one in mind for the coming league year, remember that it must be approved by the membership at Annual Meeting in May. A study proposal must include a title, a description of its scope and focus, and names of the committee members and committee chair. The Board will consider whether to recommend any study proposals submitted by April 5; they may be emailed or mailed to or dropped off at the League office. Non-recommended studies may be proposed at Annual Meeting.

What's *your* passion?

April

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		1	2	3 Forum: Minimum Wage 7:30 p.m.	4	5 Board Meeting 9:00 a.m.
6	7 Int'l Relations Committee 12:45 p.m. Voter Deadline	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24 Education Committee 10:00 a.m.	25	26 Econ. & Tax. Committee 11:30 a.m.
27	28	29 Transportation Committee 10:00 a.m.	30	May 1	2	3 Board Meeting 9:00 a.m.
4	5 Int'l Relations Committee 12:45 p.m. Voter Deadline	6	7	8	9	10

Units meet during shaded period

APRIL

Forum:
Minimum Wage - Living Wage
Thursday, April 3
7:30 p.m.
Seattle First Baptist Church

Board Meeting
Saturday, April 5
9:00 a.m.
League Office

International Relations
Committee
Monday, April 7
12:45-2:45 p.m.
League Office

The Voter Deadline
Monday, April 7

Education Committee
Thursday, April 24
10:00 a.m.
League Office

Economics & Taxation
Committee
Saturday, April 26
11:30 a.m.
909 E Newton, #D-9, Seattle

Transportation Committee
Tuesday, April 29
10:00 a.m.
League Office

MAY

Board Meeting
Saturday, May 3
9:00 a.m.
League Office

International Relations
Committee
Monday, May 5
12:45-2:45 p.m.
League Office

The Voter Deadline
Monday, May 5

Forum Schedule

<p>February 6 - Gun Safety</p> <p>March 6 - Nat'l Agriculture Update</p> <p>April 3 - Living Wage</p> <p>May 15 - No Forum/Annual Meeting</p> <p>Oct 2 - Ballot Measures</p>

The League of Women Voters of Seattle-King County (LWVS-KC) presents a public forum most months between September and May, generally on the first Thursday of the month at 7:30 p.m. Most forums are held at the Seattle First Baptist Church, but occasionally they are scheduled in other locations and times. The tentative schedule of forums for 2014 appears at left; check *The Voter* each month or the LWVS-KC website, seattlelww.org, for up-to-date information.

Planning is underway for a special forum to examine the proposed park district in Seattle. It is tentatively scheduled for June. Also on the calendar this spring is our May annual meeting which has been set for Thursday, May 15, and a special breakfast fundraising event for May 28. See details on the event on page 8.

Board Briefs by Amanda Clark, Secretary

The League of Women Voters of Seattle-King County Board met on Saturday, March 1, 2014. This is a summary of their work.

Ballot Measure Endorsement (King County Proposition 1).

The action committee recommended a vote to endorse the measure, based on the League's positions supporting multiple modes of transportation and the revenue stream to fund them. There was some concern that the sales tax increase is regressive and not in keeping with the League's position of a fair and equitable tax structure, but in the end the Board voted to endorse the measure.

Transportation Forum.

The Transportation Committee is planning a forum on the transportation measure. We were fortunate in being allowed to use Town Hall gratis on Saturday, March 22, for the forum, which will immediately follow another transportation event there. Both pro and con speakers are

planned, including a County Council member or the mayor of an affected city, and individuals from the Transit Riders Union and the Washington Policy Institute.

Breakfast Fundraising Event.

Mark your calendars now for an early-morning fundraiser breakfast on Wednesday, May 28, at the Westin Hotel. This event is still in the early planning stages, but the idea is to invite all the candidates who have filed for office, as well as elected officials and other friends of the League. The program hasn't been completely decided yet, but it will be nonpartisan and fun! Committees ranging from program planning to food and beverage planning to making the seating chart are forming now, so if there's an area that interests you, let Allison Feher or Julie Anne Kempf know.

Cover Article continued:

tion, pollution, and speculation. In the process, they promote broad and rising prosperity, as well as public confidence. The minimum wage was intended to even the imbalance in power between employers and low-wage workers that can push wages down to poverty levels. This wage floor substitutes for the bargaining power that low-wage workers lack.

Please come to the April 3rd forum to learn more about this important and timely “hot topic.” The speakers will be David Rolf, President of the Service Employees International Union 775NW; Howard S. Wright III, Founder and CEO of Seattle Hospitality Group; and Diana Pearce, Senior Lecturer and Director, Center for Women’s Welfare, School of Social Work, University of Washington.

Mr. Rolf and Mr. Wright were appointed by Mayor Murray to co-chair the Citizen’s Income Inequality Advisory Committee charged with making recommendations to the Mayor for establishing a citywide minimum wage and will update us on the progress of the committee as well as discuss various aspects of the minimum wage proposal from a union and business perspective. Diana Pearce will discuss the Self-Sufficiency Standard, which she has developed to document the income required for families to live independently, without public or private assistance.

Diversity Policy

The League of Women Voters of Seattle-King County (LWVS-KC), in both its values and practices, affirms its beliefs and commitment to diversity and pluralism, which means there shall be no barriers to participation in any activity of the League on the basis of gender, race, creed, age, sexual orientation, national origin or disability.

LWVS-KC recognizes that diverse perspectives are important and necessary for responsible and representative decision-making. LWVS-KC subscribes to the belief that diversity and pluralism are fundamental to the values it upholds and that this inclusiveness enhances the organization’s ability to respond more effectively to changing conditions and needs.

LWVS-KC affirms its commitment to reflecting the diversity of Americans in its membership, board, staff and programs.

Committees

Meetings can sometimes be subject to last minute changes. Call the LWVS-KC office at 206-329-4848 to confirm.

Economics and Taxation Committee

DATE: Saturday, April 26

TIME: 11:30 a.m.

PLACE: 909 E. Newton #D-9, Seattle

Anyone interested in attending please call Jeanette Johnson, 206-724-3392.

Education Committee

DATE: Thursday, April 24

TIME: 10:00 a.m.

LOCATION: League Office

If you have questions or comments, please leave a message for committee chair Joanna Cullen, at 206-329-4848.

International Relations Committee

DATE: Monday, April 7

TIME: 12:45 – 2:45 p.m.

PLACE: League Office

Topic: China's foreign policy and current crises in U.S. foreign policy

Transportation Committee

DATE: Tuesday, April 29

TIME: 10:00 a.m. – 12:00 p.m.

PLACE: League Office

Subject: Post-election discussion of the Prop. 1 funding levy. Next steps.
Visitors are always welcome.



A new committee is forming on the issue of Climate Change - contact Judy Bevington if you are interested in participating, judybevington@q.com.

We encourage participation by all interested members in our committees. It's a great opportunity to meet and talk to community leaders, stakeholder organizations, and experts where you can have direct input on local issues that affect you.

Don't see a committee that covers your issue? Call the office and let us know. Sometimes people are working in a more informal manner without regularly scheduled meetings. If so, we may be able to help connect you with them or help you start your own.



Mission Statement

The League of Women Voters of Seattle-King County, a nonpartisan political organization, encourages informed and active participation in government, works to increase understanding of major public policy issues and influences public policy through education and advocacy.

King County Connects — Announcements

We're having a party!

Wednesday, May 28th

7:30 – 9:00 a.m.

At the Westin Hotel

**THE INAUGURAL SEATTLE-KING COUNTY
LEAGUE OF WOMEN VOTERS
POLITICAL BREAKFAST**

We have a huge guest list - all of the candidates who file, their supporters and contributors, and politically active people in King County - and we need all the help we can get.

This is a chance for all of our 600+ members to share in the best of the League process. We need energized participants for the Organizing Committees. Please consider how your interests can be most useful for one or more of the following committees:

Registration	Publicity, Communications,
Ticket and Table Sales	Web Outreach
Program Organizing	Graphic Design
Day of Event	Sponsorship Contacts

The Board of Directors is very excited about this event because it revives our very successful Political Party during the time of mail-in balloting. It will launch the campaign season by gathering together, in a light-hearted event, all the challengers for political office BEFORE they head out into the super-charged competition.

Janet Winans and Julie Anne Kempf are the Co-Chairs of the event. Please contact the office (206-329-4848) with your offers to join in making this a huge success.

League in Action

Support Prop. 1 - Transportation Funding for King County

The Board of Directors of the League of Women Voters of Seattle-King County has voted to endorse King County Proposition 1, which will appear on the April 22, 2014 ballot and will authorize King County to enact a \$60 annual vehicle fee and a one-tenth-of-a-cent increase in the sales tax; both would sunset after 10 years. Given the strong positions that both the State and Seattle-King County Leagues have on the need to adequately fund multi-modal transportation, along with positions for clean air, safety and energy efficiency and the lack of other viable funding alternatives at this time, this legislation is necessary to provide for needs of the cities and rural areas of the County. We are concerned that without this funding the County's transportation infrastructure will continue to deteriorate as it has since the beginning of the economic downturn. In 2009 Metro, the King County Council, and the King County Executive took actions to address the declining sales tax and preserve transit service. Those options are now expiring and the Washington State lawmakers have been unable to move on legislation that would provide other funding alternatives for both transit and roads.

The LWVS-KC continues to support work toward a more balanced and progressive taxation structure. We are concerned that Washington State's tax structure has forced us to be dependent on sales tax, along with this flat rate tab fee, as a cornerstone for transportation infrastructure funding.

Some mitigation to address our concerns regarding equity in the tax burden and sustainability was built into the legislation: A low-income fare and youth fare would be set at \$1.25 starting in 2015. The eligibility threshold for the low-income fare would be 200 percent of the Federal Poverty Level, currently \$22,980 for an individual. Adults in a family of four earning up to \$47,100 would also be eligible. Car owners below 45% of the median county income will qualify for a \$20 rebate on their vehicle license fee. Having to apply for the rebate can be a barrier to fairness. If the Washington State legislature enacts legislation that grants new authorization for county transportation revenues, the King County Transportation District board shall consider whether to reduce or eliminate the continued collection of the sales tax and vehicle fee.

National News

The LWVUS is currently following proposed changes to the IRS regulation for 501c4 tax exempt social welfare organizations, the EPA's proposed federal carbon pollution standard, and proposed legislation to fix the Voting Rights Act. The LWVUS is encouraging members to submit comments to the EPA supporting the proposed standard and to ask legislators to support the Voting Rights Act Amendment.

Visit the national League website at www.lwv.org for more information about this and other national news as well as ways for you to participate and support League's mission on a national scale!

Olympia Wrap Up

The state League Lobby Team helped to pass a number of bills this Legislative Session. Among them are: ESB 5964, which requires elected officials and public record keepers to have training in the Open Public Meetings and Records Acts within 90 days of taking office, and SB6312 which requires DSHS to fully integrate mental health, chemical dependency and medical treatment. For more detailed information about the session take some time to review the final Legislative Newsletter, emailed on March 23. If you'd like to see a copy and don't have email, call the office and we'll send you one. The Lobby Team appreciates your advocacy work this session!

Voter Services

SPECIAL ELECTION - APRIL 22, 2014

In addition to the county-wide transportation levy, there is also a bond measure on the ballot for the Lake Washington School District (this district includes much of Kirkland, Redmond, Sammamish, and surrounding areas) for the construction of new schools and additional capital improvements. This is a re-run of a measure that failed to achieve a 60% majority in February. The amount sought has been reduced from \$755 million to \$404 million.

For more information about the election visit Vote411.org.



**KING COUNTY TRANSPORTATION DISTRICT PROPOSITION NO. 1 –
SALES AND USE TAX AND VEHICLE FEE FOR TRANSPORTATION IMPROVEMENTS**

Ballot Title:

The Board of the King County Transportation District passed Resolution No. TD2014-03 concerning funding for Metro transit, roads and other transportation improvements. If approved, this proposition would fund, among other things, bus service, road safety and maintenance and other transportation improvements in King County cities and the unincorporated area. It would authorize the district to impose, for a period of ten years, a sales and use tax of 0.1% under RCW 82.14.0455 and an annual vehicle fee of sixty dollars (\$60) per registered vehicle under RCW 82.80.140 with a twenty dollar (\$20) rebate for low-income individuals.

Should this sales and use tax and vehicle fee be approved? Yes [] No []

Voting Threshold

The required voting threshold for approval of the tax and the fee contained in Proposition 1 is: Simple Majority Vote – 50% plus one vote

Background: *What is a Transportation District?*

Under a Washington state law passed in 2012 (RCW 36.73.020), a county council may establish a transportation benefit district within the county...”for the purpose of acquiring, constructing, providing, and funding a transportation improvement within the district that is consistent with any existing state, regional, or local transportation plans and necessitated by existing or reasonably foreseeable congestion levels.”

This law gave King County Council the power and authority to establish a transportation benefit district (or simply a “transportation district”), and they did so in 2013, via KC Ordinance 17746. The transportation district has exactly the same map boundaries as does King County itself, and the King County Council serves as the King County Transportation District Board. Revenues collected for the transportation district go to fund the projects and priorities of the transportation district. They are not combined into the County General Fund.

What This Measure Would Do:

If approved, Proposition 1 would provide dedicated transportation funding to the transportation benefit district.

This measure would impose a new fee and a new tax on voters, authorizing the district:

1. To fix and impose, for ten years, a sixty-dollar vehicle tab fee to be added to any existing vehicle fees for all vehicles registered in King County.
2. To fix and impose, for ten years, an additional one-tenth of one percent (.01%) sales and use tax on all retail items purchased within King County or purchased outside of King County for use within King County by King County residents.

This measure would replace the expiring twenty-dollar (\$20) annual vehicle tab fee with a sixty-dollar (\$60) annual vehicle tab fee, with a twenty dollar (\$20) rebate for low income individuals owning vehicles.

This measure would impose an additional one-tenth of one percent (.01%), or one-tenth of a penny per dollar, sales and use tax on all retail items purchased within King County or purchased outside of King County for use within King County by King County residents.

After the collection of revenues, this measure would require the Transportation District to distribute the revenues from this fee and this tax in the following ways:

- A. The district sales and use tax and vehicle fee revenues must first pay any administrative costs of the district and the cost of the license fee low-income rebate program in section 4 of this resolution to the state Department of Licensing and state Department of Revenue.
- B. The remaining funds will be distributed sixty percent (60%) to King County for funding Metro and forty percent (40%) to the cities within King County for city transportation improvement purposes, and to King County for county unincorporated area road pur-

poses, respectively, in amounts shared based on each jurisdiction's percentage of the total population.

1. On a biennial basis, the Board shall determine and allocate for Metro transit purposes the amount of the sixty percent distribution necessary to fund the operation, maintenance and capital needs of the Metro transit system. In making this determination and allocation the Board shall be guided by the following criteria:
 - a. Preserving Metro transit service at levels comparable to the 2014 Metro transit system;
 - b. Covering the costs of administering any low income fare program and the amount of the reduction in fare revenue resulting from a \$1.25 low-income fare; and
 - c. Adjusting for any changes in the amount of other Metro transit revenues above the revenues estimated in the adopted King County 2013-2014 biennial budget.
 - d. If as a result of this determination and allocation, there are remaining revenues from the sixty percent distribution, these will be distributed fifty percent for Metro transit purposes and fifty percent for unincorporated area road purposes.

How Much Will This Measure Cost Each Resident?

This measure will cost King County residents who are vehicle owners an additional \$40 per year more than what they are paying now, per vehicle, unless they qualify for and apply for the \$20 low income rebate, in which case they will pay \$20 more than what they are paying now.

This measure will also cost all King County retail shoppers an additional one-tenth of a cent sales tax per each dollar spent. Thus, a \$400 television set will cost an additional 40 cents in sales tax, in addition to the \$38 in sales tax already imposed.

Those in favor of “APPROVE” on Prop 1 argue:

Passage of this ballot measure will save the Metro bus service from devastating cuts. It will also make public transit more affordable, by lowering the new low income reduced fare from \$1.50 to \$1.25 for two years.

Through efficiencies and fare increases, Metro has saved and/or replaced \$130 million annually while still meeting record pre-recession ridership levels.

Proposition 1 would replace expiring Metro funding. At present, Metro provides 400,000 daily rides. If the proposition is not passed, service will have to be cut, affecting 80% of bus riders. The cuts would put an estimated 30,000 cars back on congested streets, and leave some seniors, students, people with disabilities, and working families stranded.

Because Proposition 1 replaces expiring funding, car owners would pay only \$40 more each year (\$20 for low income car owners), and 40% of the funds would go to local road maintenance and improvements -- critical funding for every King County city and rural area.

Proposition 1 would protect bus service, and would provide needed repairs to roads and bridges. Its passage will benefit the environment and economy, while its defeat will lead to more traffic gridlock and deteriorating roadways.

Those in favor of “REJECT” on Prop 1 argue:

Recently, the King County Council established a separate transportation benefit district, The King County Transportation District. Proposition 1 proposes to fund the new transportation district with a \$60 Vehicle License Fee and a 0.1% sales tax increase. These are regressive taxes that will further burden the working and poor people of King County. They do not constitute a stable or sufficient long-term funding solution for Metro.

Metro Transit’s primary financial problem is excessive operating costs. Public transit is an important part of our transportation system, but Metro’s current shortfall of \$75 million, annually, results from the fact that its expenses have long been increasing at over twice the rate of inflation, despite its own stated commitment to reduce those costs to or below inflation. This is why Sound Transit stopped purchasing services from Metro for several bus routes within King County and, instead, substituted Pierce Transit in order to save nearly 30%. Pierce Transit has worked to reduce costs while Metro’s continue to rise.

Proposed new taxes would burden low-income and transit-dependent individuals, through highly regressive sales taxes and vehicle fees that impact the poor much more than the wealthy. For taxpayers living in east-and-south county – who already pay 65% of transit taxes but receive just 37% of transit services – piling on these added taxes would make this unfairness to the poor even worse. This measure does not provide the needed financial controls that would result in sustainable transit.

Join the League!

Take part in informed discussions of the issues facing our communities. Members automatically receive the VOTER, either in print or electronically, for the latest updates on current studies and action, monthly forums, committee activities, voter registration, and other volunteer opportunities. In addition, members receive action alerts about legislation in Olympia and Washington, D.C., as well as publications from the state League.

League membership is open to men and women.

Name: _____

Address: _____

City/State/Zip: _____

Phone: _____ Email: _____

Dues and contributions:

- \$60 one year individual membership
- \$90 one year household membership
- \$35 low or fixed income
- \$25 student
- Enclosed is a contribution of \$ _____

Please make your check payable to LWVS-KC and return with this form or go online to www.seattlelww.org/membership.

Membership dues and contributions are not tax deductible; however, eligible tax deductible contributions may be made to the LWVS-KC Education Fund.

Thank you for supporting the work of the LWV!

Please return this form to:
League of Women Voters of Seattle-King County
1620 18th Avenue, Suite 100
Seattle, WA 98122-7007



**Celebrating 94 years of educating
voters, improving elections, and
making democracy work!**

Getting Connected Membership News

Betty Goldiamond earned her Ph.D from the University of Chicago in the interdisciplinary field of Human Development with a specialty in Adult Development and Aging. The career she prepared for was curtailed by her husband's automobile accident which made it necessary for her to become his helper/driver, thus allowing him to continue his work. She worked as a teacher, researcher, and writer. Her special interests included public policy in healthcare, physical rehabilitation, women's issues, and race relations. She worked part time as executive director of a hospice.

Betty was a member of LWV Carbondale, Illinois from 1955 to 1960 where she worked on school finance issues. As a League member in Chicago, she was co-chair of the Healthcare Committee and a member of the Program Board. Betty, now at Exeter House, came to Seattle to be near her daughters. She looks to LWV to keep up with life in Seattle, especially politics, issues, and government.

Beverly Feeney grew up in northeastern Wisconsin and moved to Chicago to attend nursing school at Northwest Hospital. She worked as an

operating room nurse and a private duty nurse before moving to Spokane to attend a nurse anesthetist school.

Betty arrived in Seattle in 1961 with her husband who was appointed by President Kennedy to be the administrator of the Science Center exhibit at the Seattle World's Fair. When the fair closed, they moved to Washington DC where he worked with the U.S. Department of Commerce setting up international trade fairs. Seattle drew them back, he to work with economic development and she with the Public Health Service and PacMed until it closed in 1987.

Before moving to Horizon House, Beverly worked in area retirement homes to learn which one would serve her needs best. She has a son living in Seattle. Beverly enjoys reading books and the *New York Times* and knitting hats and scarves for the homeless. In retirement she continues her interest in healthcare. She is particularly concerned with healthcare for women, especially poor women. Beverly says, "Justice would be served if legislators who deny women healthcare as provided for by law were sued for practicing medicine without a license."

Features

EDUCATION COMMITTEE

by **Joanna Cullen**

Deputy Director of Strategic Initiatives in the King County Executive's Office Elissa Benson accepted our invitation to our February 27 meeting for a conversation around initiatives to better serve children birth to five. She also brought copies of King County Executive Dow Constantine's Policy Brief, Closing the Kindergarten Gap. This was a first opportunity for a conversation around the challenges and possibilities of developing a regional vision to pro-

mote learning readiness and optimal childhood development. We will continue to explore early childhood learning possibilities for this region and catch up with some of those, including League member Lucy Gaskill-Gaddis, who will be part of a Seattle delegation visiting Boston for a firsthand look at the programs there. According to the groups' briefing statement, many organizations are working to promote learning readiness in King County, but questions of scalability, capacity, integration, governance, and sustainability need to be answered for the region.

TRANSPORTATION COMMITTEE

by Janet Winans, Chair

Mike Lindblom, transportation reporter for the Seattle Times, provided our committee with a detailed description of the on-going saga of the Deep Bore Tunnel Machine (DBTM) that is the essential tool for the construction of the SR99 replacement of the Alaskan Way Viaduct.

Using the Freedom of Information Act, he obtained from the Washington Department of Transportation (WSDOT) a vast trove of data they have collected since the inception of the project. According to Mike, WSDOT officials seemed relieved to have the information available to the public. Who will pay the cost overruns is the least of the issues.

All focus has been on the fact that the DBTM stopped functioning on December 8, 2013, after completing only about 1000 feet of its journey underground. Seattle Tunnel Partners and Hitachi, the manufacturer of the machine, have huge incentives to solve the problem that has stopped the project. They have both major financial and reputational stakes in this “state of the art” project.

The machine is amazing. It not only drills the path for the tunnel, it lays the structure for the tunnel behind it with a team of very skilled workers who operate the machine and build the structures that follow it. In order to make the surface of the soil substrate solid enough for the drill to cut, the machine shoots jets of grout into the substrate to create a drilling medium that is pulled into, through and out of the machine like play dough is extruded from the child’s toy. The grout is precisely calibrated for each variance in the substrate that WSDOT engineers established during its planning phase.

During that planning phase, WSDOT teams investigated and analyzed all of the issues that are essential to building such a project before the potential contractors considered the feasibility of their doing the project. The contractors

incorporated WSDOT’s data into their design/build contract and all parties agreed to the known and unknown contingencies before their agreement was reached. No one at WSDOT is a “tunneling expert” and that expertise was assumed to lie with the contractors. There are few such experts and it has been very difficult to find someone who can be an outside investigator of the current problems.

The most critical issues are just what is wrong with the machine and how can it be repaired so that the problem does not happen again. Time is one of the most dangerous problems to the machine itself. It is designed to move and distribute all of the incredible pressure resulting from the weight of the earth above it and its own weight of many thousands of tons. While it is stopped, all of that pressure is crushing down on it.

Mike called all the other traffic projects in the area “Mega Projects,” like the 520 bridge. The demands that the scale of these projects make on the rules of physics are greater than similar, earlier projects by “orders of magnitude.” The pontoons for 520 prove the point. He said that the new pontoons were designed in a fashion similar to the earlier, smaller first bridge pontoons. This generation’s design looks the same but the size of the pontoons created an atmospheric chamber inside that caused a kind of weather that made the pontoons expand. Now the replacement pontoons are wrapped in metal skeletons.

Mike was optimistic that the voters of King County will pass the Transportation Benefit District measure and provide the funds necessary to keep the county safe and moving.

BOOK REVIEW by Vicky Downs

NICKEL AND DIMED: ON (NOT) GETTING BY IN AMERICA

By Barbara Ehrenreich

Leaguer Carol Goldenberg recommended this book during a conversation about the growing number of people who cannot survive on their wages. *Nickel and Dimed*, published in 2001, is based on research that began in 1998. Unfortunately, the information seems to describe the situation just as well fifteen years later!

In the late 1990s, Barbara Ehrenreich wondered, "How does anyone live on wages available to the unskilled?" In particular, she wondered how the "roughly four million women about to be boot-ed into the labor market by welfare reform were going to make it on \$6 or \$7 an hour?"

She was a journalist, so decided to find the answer the "old-fashioned" way and go "out there and try it for herself." She planned to work for a few months as though she were someone needing an entry-level job or someone with little money, no housing, and nothing to fall back on. Where should she look? She "ruled out places like New York and L.A. where the working class consists mainly of people of color, and a white woman with unaccented English seeking an entry-level job might only look desperate or weird."

Her first job was in a town near where she actually lived in Florida. Figuring she would only have \$500 for rent, it was a shock "to realize 'trailer trash' [became] a demographic category to aspire to." Well into the rural outskirts of the town, she found a tiny cabin that seemed livable.

She then looked through want ads and was finally hired by the Hearthside, a big discount chain hotel, as a waitress. Working from 2 to 10 p.m., she would receive \$2.43 an hour plus tips. Never having done this kind of work, she was happy that "Gail, the wiry middle aged waitress," was assigned to train her. She was put in charge of six tables but was also expected to do "side work" such as "sweeping, scrubbing, refilling and restocking." Often she couldn't do it all, so

didn't leave until well after 10 p.m. Much of the time her back ached and she was often frustrated at being unable to do her job as well as the more experienced help.

After Florida, she moved to Maine where she scrubbed floors and had to take on extra jobs just to make ends meet. One was on weekends in an Alzheimer's ward at a nursing home, and another was as a full time housecleaner with Merry Maids. Her last stop was in Minneapolis where she worked at Wal-Mart.

What did Ehrenreich learn? Even if someone worked two jobs, the wages were too low and the cost of housing too high for even minimal survival. If there were children, it would be much worse, as the cost of both housing and childcare was high. In 1998, the Economic Policy Institute calculated that \$30,000 a year would be needed, though such a salary would "never be provided by the private sector to entry-level workers."

This is a lively read, and I easily identified with Ehrenreich as she tried her best to keep working even when she was in real pain. The housecleaning company required her to use cleaning fluids that badly hurt her hands but did not provide gloves, much less medications for their employees.

Ehrenreich says, "I grew up hearing over and over...that 'hard work' was the secret of success." After her experience, she concludes, "No one ever said that you could work hard -- harder even than you thought possible -- and still find yourself sinking ever deeper into poverty and debt."

There is much to learn from this book!

The opinions in this review are personal and do not represent those of the LWV.

April Program:

An Overview of Minimum and Living Wage Laws



By Jeanette Johnson
Chair, Economics & Taxation Committee

The materials relied upon for this article were reviewed by Economics & Taxation Committee members Vicky Downs, Allison Feher, Betty Sullivan, and Laura Weese.

UNIT MEETING

1. Welcome and Introductions
2. Announcements/Volunteer Sign Ups
3. Discussion Questions

1. Have you or anyone you know ever held a minimum wage job?
What were the circumstances?

2. Discuss the differences between a “living wage” and a “minimum wage.”

3. Do you think every job should provide a living wage? Why or why not?

4. What do you think might be some of the benefits and some of the challenges to instituting a \$15 an hour citywide minimum wage? Should there be some exclusions?

5. What information do you think the City of Seattle should consider in deciding whether or not to enact a \$15 minimum wage?

I. Introduction

When the SeaTac \$15 per hour living wage issue emerged last year, the League of Women Voters of Seattle-King County Board considered whether or not to take a position on the proposal. In evaluating the measure at its October Board meeting, Board members decided – although they supported the idea of a living wage – that they would not take a position on the SeaTac proposal, feeling that a study was warranted instead.

Initially, the economics and taxation committee intended to take this topic on as a full one-year study. However, because the issue of a \$15 an hour minimum wage in Seattle has taken off at such a rapid pace, the committee felt that the best course of action would be to hold a “hot topic” forum on the issue this April rather than wait for a formal study to be completed in 2015.

This means that the questions accompanying this material are meant to guide unit discussions and will not be used to develop League consensus.

This also means that the scope of this report is limited and not intended to provide the in-depth analysis and coverage normally provided by a full League study. In the short time allowed to pull this material together, we decided the best approach would be to provide you with an overview of minimum and living wage laws and to also include a Seattle update.

II. Putting the Demand for Higher Minimum Wages in Context

Over the past several years, the demand for greater income equality and higher wages for low income workers has spread rapidly and is gaining momentum all across the country. Rallies by fast-food workers and employees of large retail chains have focused on the demand for a \$15 per hour living wage. At the same time newspapers have featured numerous stories about how many minimum-wage workers have

had to resort to food stamps and other government-provided safety net programs in order to survive. Meanwhile, two-thirds of Americans say they are dissatisfied with the way income and wealth is distributed in the U.S., according to a recent Gallup poll. It may be useful to consider how we got to this point.

Background

Over the past thirty plus years there has been a fundamental shift in how our economy operates and how we conduct business. Some of the key factors involved in bringing about this transition include:

- An immense growth in globalization and the outsourcing of good paying manufacturing jobs to other countries;
- Public policies that have emphasized budget reductions at the expense of job creation;
- Deregulation of the economy;
- Tax breaks on the types of income that are available only to those at the top and not available to working and middle-class employees whose main income is wages;
- Falling rates of unionization, which have put workers at a disadvantage in negotiating wages and benefits;
- Public decisions that have failed to adjust minimum wages to keep up with the cost of living; and
- Privatization of formerly good paying government jobs with benefits – by both federal and local governments – to contractors who frequently pay lower wages and offer fewer benefits than public employment.

Where We Are Today

The call to increase wages for low-wage workers reflects a desire to improve the economic well-being of low-wage workers and widespread concern about increasing economic inequality and the decline in economic mobility. Over the past three decades most of the wage increases have gone to those at the top, while those at the

bottom have seen their share of the nation's total income decrease. Consider the following:

1. Increasing Inequality/Lower Social Mobility

- The percentage of income held by the richest one percent in the U.S. has grown nearly 150% from 1980 to 2012. (Rick Loomis, *LA Times*, April 18, 2012).
- The top one percent also received 95% of the wealth created since 2009, while the bottom 90% of Americans has become poorer. (Rick Loomis, *LA Times*, April 18, 2012).
- Adjusted for inflation, male high school graduates saw their earnings decrease nearly 20% from 1979 to 2012. (Eduardo Porter, *New York Times*, January 15, 2014).
- Economic mobility has been found to be lower in the U.S. than in most other industrialized democracies, according to a report prepared by the Organization for Economic Co-operation and Development.

2. Decline in the Real Value of the Federal Minimum Wage

According to Arindrajit Dube, Ph.D, Assistant Professor of Economics, University of Massachusetts – Amherst:

- The minimum wage has failed to keep pace with productivity, while top pay and corporate pay have grown rapidly. The buying power of a falling minimum wage has contributed to rising inequality, explaining about half of the rise in inequality in the bottom half of the pay distribution, and more so for women.
- The minimum wage has also not kept pace with the cost of living. Adjusted for inflation, the real minimum wage has fallen from a high of \$10.60 in 1968 to \$7.25 in today's dollars.

- The minimum wage has lost ground in comparison to median wages, falling from a high of 55% of the median wage in 1968 to 37% today.¹

3. High Unemployment, Lack of Good-paying Jobs

- Since the recession the focus has been on debt reduction, not job creation. As a result, the unemployment rate has remained high, only recently dipping below seven percent. High unemployment causes downward pressure on wages and increases competition among workers for the limited number of jobs that are available.
- Recent job growth in the U.S. has been concentrated in low-wage occupations. According to a National Employment Law Project study, low wage jobs accounted for close to 60% of the jobs generated in the first three years of the economic recovery.
- Many low-wage jobs do not provide sufficient income for workers to meet their basic needs; and many end up supplementing their income with publicly-funded safety net programs, such as food stamps, Earned Income Tax Credits, Medicaid, and Temporary Assistance to Needy Families.
- A study produced by the U.S. Berkeley Labor Center showed that close to 63% of government-provided safety net spending goes to help support families where at least one member of the family worked, and the cost to the public of providing these benefits (for the four programs previously mentioned) was estimated at \$243 billion per year from 2007 to 2011.²

III. Definition of Minimum Wage vs. Living Wage

There is sometimes confusion between the terms “living wage” and “minimum wage.” The \$15 per hour SeaTac measure, for example, was called a “living wage,” whereas the proposal in Seattle is for a \$15 per hour “minimum wage.” At the outset it’s important to understand the distinction between the two. The following definitions are taken from eHow at http://www.ehow.com/about_6398862_living-wage-vs_-minimum-wage.html

Minimum Wage

According to Merriam Webster’s Online Dictionary, minimum wage is defined as a wage fixed by legal authority or by contract as the least that may be paid either to employed persons generally or to a particular category of employed persons. In the U.S. minimum wages are set both nationally and statewide. Increasingly, cities are also setting their own minimums.

Effective July 24, 2009, the U.S. federal minimum wage was set at \$7.25 per hour with an amendment to the Fair Labor Standards Act (FLSA). All U.S. states and territories except Alabama, Louisiana, Mississippi, Tennessee and South Carolina have minimum wage laws. Some states have set their minimum wage below the federal level, and in those cases, the federal minimum takes precedence.

Certain occupations such as small farm agricultural workers are exempt from minimum wage requirements. Also, workers with disabilities can be paid special minimum wages known as commensurate wage rates which are less than the FLSA minimum wage. These wages are based on the disabled worker’s individual productivity in comparison to non-disabled experienced workers in the geographic area from which the labor force is drawn.

Living Wage

Living wage is defined by the Merriam Webster Online Dictionary as a wage sufficient to provide the necessities and comforts essential to an acceptable standard of living. With an ideal

living wage, an individual working 40 hours per week would be able to afford food, child care, medical care, housing, transportation and other expenses for his/her family if he/she is the sole provider. Living wage ordinances adopted by cities typically require those businesses which receive assistance from the city to pay their workers a living wage, or a specified wage which would typically be greater than federal or state minimums.

Distinction Between Living Wage and Minimum Wage

Living wage laws differ fundamentally from minimum wage laws in that they generally cover only a small subset of workers in a local jurisdiction whereas the latter cover almost all workers. So, for example, the \$15 per hour SeaTac ordinance that applied to a subset of workers in the city (certain airport employees as well as hospitality and transportation workers) was called a “living wage,” whereas proponents of a Seattle law are calling for a \$15 per hour “minimum wage” that would apply more broadly to most employers (presumably with some exemptions) throughout the entire city.

Living wage floors – because they apply only to targeted workers – are usually higher than minimum wages that affect a broader range of employees. The distinction between “living wage” and “minimum wage” is sometimes blurred by the press, but it is helpful in evaluating one proposal against another to keep this difference in mind.

IV. Overview of Federal and State Minimum Wage Laws

The Federal Minimum Wage

The federal minimum wage originated with the FLSA during the Great Depression in 1938, and the first minimum was set at \$0.25 cents per hour. Since then, it has been raised multiple times, reaching its current \$7.25 per hour in July 2009. Despite the increases, the federal minimum has failed to keep up with inflation and its purchasing power has substantially eroded over time.

The FLSA applies only to covered businesses and employees. It specifically applies to employees of enterprises that do at least \$500,000 in business a year and to employees of smaller firms if the employees are engaged in interstate commerce or in the production of goods for commerce. For more specific information as to who is covered and what types of enterprises are covered, refer to the U.S. Department of Labor website at: <http://www.dol.gov> and select “wages.”

Senator Tom Harkin of Iowa and Representative George Miller of California recently introduced a bill to increase the federal minimum to \$10.10 per hour by 2016. Their proposal – the Fair Minimum Wage Act – would raise the minimum wage in three steps of 0.95 cents, and thereafter index it to inflation. The minimum wage for tipped employees, such as waitpersons in restaurants, would be raised in increments from \$2.13 per hour until it reaches 70% of the regular minimum.³

The Congressional Budget Office (CBO) recently released a report estimating that raising the federal minimum from \$7.25 to \$10.10 by 2016 would potentially:

- Lift 900,000 people above the poverty threshold (out of roughly 45 million people who are projected to be below that threshold under current law).
- Reduce total employment by about 500,000 workers. (Note that the CBO provides a likely range in the decrease from very slight to one million. The 500,000 is the midpoint estimate.)
- Increase earnings for low-wage workers by a total of \$31 billion. However, because many low-wage workers are not members of low-income families, 19% of the \$31 billion would accrue to families with earnings below the poverty line, while 29% would accrue to families earning more than three times the poverty threshold.
- Decrease incomes for those who become jobless. Once the increases and decreases in income for all workers are taken

into account, overall real income would rise by \$2 billion.⁴

The report has been called into question by some who say the CBO may not have taken into account the many recent studies that have found that moderate increases in the minimum wage do not measurably affect employment levels.

A debate is also currently being waged on the issue of raising the federal tipped minimum wage. The tipped minimum requires restaurant owners to pay a minimum of \$2.13 an hour toward a tipped-employee’s wages as long as tips bring the employee’s minimum up to \$7.25. If tips do not bring the employee’s wages up to \$7.25, the employer is required to make up the balance. The tipped minimum has not been raised since 1991. Adjusted for inflation, it is now worth \$1.24. (Steven Greenhouse, *New York Times*, January 26, 2014). A problem ensues, when – as some tipped minimum workers report – their employers fail to bring their wages up to the required minimum when tips fall short.

Currently 19 states use the federal tipped minimum of \$2.13 per hour, 24 states have a subminimum tipped wage above the federal minimum, and 7 states, including Washington, require tipped employees to receive the full minimum wage mandated by the state. (Steven Greenhouse, *New York Times*, January 26, 2014).

State Minimum Wage Laws

Nearly all states have their own minimum wage laws. Many have adopted the \$7.25 federal minimum; however, the momentum by states to increase minimum wages above the federal level has gathered steam recently, in part due to inaction at the federal level and also due to constituent demand. The result is that at the beginning of 2014, twenty-one states had passed minimum wage requirements higher than the federal minimum. (Paul Davidson, *USA Today*, December 30, 2013).

Even so, most states have adopted relatively moderate minimum wage floors, with only two so far reaching \$9 an hour. Washington currently leads the nation with the highest state mini-

imum at \$9.32 per hour, followed by Oregon at \$9.10, and Vermont at \$8.73. All three states index their minimum wage to inflation; however, most states and the federal government do not. In fact, the Pew Research Center reported that in 2013 only 10 states indexed their minimum wage to inflation.⁵

California enacted a new minimum wage law last year, and as a result may in the near future surpass Washington as the state with the highest minimum wage in the nation. California's new law calls for increasing the existing \$8.00 per hour minimum to \$9 per hour effective July 2014 and to \$10 an hour effective January 2016. Like Washington's law, tipped employees are entitled to the full minimum; however, California does not index its minimum wage.

Several other states also may be poised to raise their minimums even higher. For example, the State of Maryland is currently considering a proposal to raise its minimum to \$10.10, and Vermont is discussing a measure that would establish a statewide \$15 per hour minimum wage, which proponents are calling a statewide "living wage." Whether these proposals are enacted or not remains to be seen.

Here in Washington, the state minimum wage has been an important issue this legislative session. The Governor has proposed a statewide minimum wage increase of \$1.50 to \$2.50 an hour, while House Democrats "proposed a nearly 30% increase in the state minimum wage, to \$12 an hour by 2017." (Ashley Stewart, *Seattle Times*, January 31, 2014).

On the other side, Republicans have introduced bills that would prohibit cities or counties from establishing their own minimum wage above the state's minimum; create a teen training wage for those between 16 to 19 set at either the federal minimum or at 85% of the state's minimum; and that would allow employers to "pay 14 through 19-year-olds the federal minimum wage, rather than the state minimum wage, from June 1 to August 31 each year." (John Stang, "Minimum Wages: Lower to Fuel Opportunity," *Crosscut*,

January 30, 2014).

V. Overview of Local Living Wage and Minimum Wage Laws

Local Living Wage Laws

The living wage movement first began in the City of Baltimore in 1994 when the city enacted an ordinance requiring city contractors to pay their employees higher wages than the existing minimum. Since then, many other communities have passed similar laws. In fact, as of 2006 about 140 municipalities and counties around the country had implemented local living wage laws, including such large cities as Boston, Chicago, Cleveland, Detroit, Los Angeles, and San Francisco, among others.⁶

According to a report by the Economic Policy Institute (EPI), two key objectives of living wage proponents have been to:

- Ensure that workers receive a high enough wage so that they can provide for their basic needs, hence the term "living wage," and
- Make sure that public policy encourages living wages for public workers and contractors, thereby avoiding the problems associated with low-wage workers.⁷

The EPI tells us that, though living wage laws have common goals, their application varies widely. "Most cover employees working under municipal contracts. Some also cover municipal employees, employees of businesses receiving public economic development dollars, or employees of businesses located in districts that have benefited from significant public investment. Wage levels vary from one dollar above the minimum wage to over twice the minimum. Some exempt nonprofit organizations, while others primarily affect human service providers."⁸

But how do we know what a living wage is? Diana M. Pearce, Senior Lecturer and Director, Center for Women's Welfare at the University

of Washington, has developed the Self-Sufficiency Standard to measure how much income is needed for a family of a particular size in a given place to adequately meet their basic needs without public or private assistance.

The Self-Sufficiency Standard shows that in 2012 one adult in Seattle required \$10.57 per hour to live independently without public assistance, while \$22.07 per hour was required for a family with one adult plus two children. In contrast, \$14.27 per hour was required for one adult in San Francisco while \$29.33 was required for one adult with two children.

There are numerous examples of local living wage ordinances. The \$15 per hour SeaTac living wage law is one with which citizens of King County are most familiar. More specific information on the SeaTac ordinance is provided in the section on “Seattle – King County Efforts.”

The SeaTac measure has often been portrayed by the press as being the highest minimum wage in the country. This is a misstatement because the SeaTac measure, as pointed out by Howard Greenwich, Puget Sound Sage, is not a minimum wage and is not the highest living wage.⁹

The highest living wage on the West Coast is at the Los Angeles International Airport, which currently has a minimum wage requirement of \$15.67 per hour. St. Louis, with a living wage of \$15.92 per hour in 2013, has the highest airport living wage in the nation, according to the National Employment Law Project, as reported by Mr. Greenwich.¹⁰

According to a 2013 report by Puget Sound Sage, there are seven other cities and airports on the West Coast with living wage laws including:

- Los Angeles Airport
- Los Angeles (large airport hotels)
- San Jose Airport
- San Francisco Airport
- Oakland Airport
- Emeryville (all hotels)

- Long Beach (large hotels)

The minimum wage for these seven entities varies from a low of \$11.95 for Los Angeles (large airport hotels) to a high of \$15.67 at the Los Angeles Airport. Each ordinance varies with respect to the requirements for additional worker benefits, such as paid sick days, health insurance, etc.¹¹

The City of Los Angeles is currently considering a plan to raise the minimum wage for the city’s hotel workers to \$15.67 an hour. Proponents of the proposal say they would like to see the wage applied citywide, not just to hotel workers. But, for now, it would only apply to hotels with more than 100 rooms. The measure would also require five sick days per year. The \$15.67 is meant to coordinate with the wage required at the Los Angeles Airport. (Kathleen Miles, “LA Considers Highest Minimum Wage in U.S.,” *Huffington Post*, January 14, 2014).

Living wage laws have generated a lot of scrutiny by those concerned about the economic effects of such laws on the cities, employees, and contractors involved. The EPI found that a growing body of research has concluded that living wage laws:

- “Have small to moderate effect on municipal budgets;”
- “Benefit working families with few or no negative effects;”
- “Have raised productivity and decreased turnover among affected firms.”¹²

These findings are similar to conclusions made by other analysts.

However, David Neumark, professor of economics at the University of California, Irvine, and Mathew Thompson and Leslie Koyle, with Charles River Associates, found that living wage laws have reduced employment, particularly “among the least skilled workers they are intended to help.”¹³

Local Minimum Wage Laws

Over the past few years, a number of cities have also turned to enacting their own minimum wage laws. Some of these include Albuquerque (2007), Santa Fe (2004), the City-County of San Francisco (2004), San Jose (2013), and Washington D.C. (1993). There are also proposals in various stages of development in Richmond (California), Berkeley, San Diego, and Seattle. There also may be others. Two Maryland counties (Prince Georges and Montgomery) have also recently passed their own minimum wage laws.

A city's desire to enact its own minimum wage may, in part, reflect its cost of living, which may be higher than federal or state averages. San Francisco and San Jose – each with a very high cost of living – have among the highest municipal minimum wage requirements in the nation. San Francisco's is set at \$10.74 per hour, the highest in the country, and San Jose's is \$10.15. (Note that Santa Fe has a minimum wage of \$10.66 per hour.) Both San Francisco and San Jose index their minimums to the cost of living, and both already had living wage ordinances in place before enacting their citywide minimums.

Washington D.C. – also a high cost city - recently enacted legislation that will increase its existing minimum of \$8.25 per hour in three steps until it reaches \$11.50 per hour in July 2016. After that, the minimum would increase with the cost of living. These changes, pending approval by Congress, would make the minimum wage in Washington D.C. among the highest in the country.

It's beyond the scope of this report to examine the potential benefits and costs of a city enacting its own minimum wage law. That would require a full League study. But one frequently expressed concern is how enacting such a law might affect employment.

This issue was recently studied by the Center for Economic and Policy Research. The study ana-

lyzed the wage and employment effects of the “first three city-specific minimum wages” in the country – San Francisco, Santa Fe, and Washington D.C.

The results in San Francisco and Santa Fe were that a moderate citywide minimum wage can raise the earnings of workers in fast food, food services, retail, and other low-wage businesses without a “discernible impact on their employment.”

The minimum wage increase in Washington D.C. was found to be too small to raise wages and was also not enforced; therefore no conclusions could be reached.¹⁴

There is no agreement among economists, however, on what the employment effect might be of raising the minimum higher than the moderate levels seen in such cities as San Francisco, Santa Fe, and San Jose.

VI. Seattle – King County Efforts

Voters in the City of SeaTac recently approved a \$15 per hour living wage for airport-related workers, although a portion of the law was later struck down by a King County Superior Court Judge and is now on appeal. Seattle is also discussing a possible \$15 per hour citywide minimum wage. This section provides an overview of the SeaTac law and highlights the initial actions taken by Seattle toward the development of a citywide minimum wage as of this writing in February 2014.

SeaTac

In November 2014, SeaTac voters approved by a 77-vote margin a municipal ballot measure to establish a \$15 an hour living wage for airport, hospitality, and transportation workers in the city. It specifically was tailored to cover about 6300 nonmanagerial, nonsupervisory employees working at large hotels, restaurants, rental car businesses, shuttle transportation businesses, parking businesses, and other businesses operating within the airport.

In addition to the \$15 an hour minimum pegged yearly to the cost-of-living, the measure requires employers to provide some paid sick leave and offer additional work hours to existing part time employees. It also mandates that tips and service charges go to nonmanagerial, nonsupervisory employees; requires 60 days advance notice of layoffs; allows a waiver by a collective bargaining agreement; prohibits retaliation; and provides some enforcement mechanisms.

In December 2013, King County Superior Court Judge Andrea Darvas ruled that the SeaTac ordinance does not apply to some 4700 workers located within the bounds of the airport itself saying that “airport facilities and operations are under the exclusive jurisdiction and control of the Port of Seattle, subject to federal and state laws, rules and regulations but not subject to the laws, rules and regulations of SeaTac or other municipalities.” (Bill Lucia, *Crosscut*, December 31, 2013).

Supporters have appealed the ruling to the state Supreme Court. But, for now, it means that the law only applies to about 1600 employees who work at hotels with 100 or more rooms and at least 30 nonmanagerial, nonsupervisory employees, “and parking lots with more than 100 spaces and at least 25 nonmanagerial employees.” (Amy Martinez, *Seattle Times*, February 14, 2014).

Some of the arguments made by proponents of the measure during the campaign were: it would stimulate the local economy by putting more money into the hands of workers who would promptly spend it; it would help to raise people out of poverty; and it would decrease the demand on publicly-funded safety net programs, thereby saving taxpayers money.

It was also felt that the increased wages could be absorbed by the covered employers, many of whom are large corporations, or that the increased costs could readily be passed along with small price increases. It was also noted that many of the revenues generated from airport businesses come from visitors to the area.

For a more in-depth discussion of the potential economic benefits see Nicolle Vallesterio Keenan and Howard Greenwich, “The Economic Impacts of a Transportation and Hospitality Living Wage in the City of SeaTac,” September 2013, Puget Sound Sage, available at <http://www.pugetsoundsage.org>, select publications, and select the report.

Some of the arguments made by critics of the measure were: it would lead to an overall decline in employment; many existing workers would be displaced by more experienced workers; other small businesses not covered by the measure would also have to raise their salaries in order to compete for employees; tax revenues would decline, due to a decline in employment; and the measure imposed substantial equity and compliance challenges. For a more in-depth discussion of the potential economic drawbacks see “Proposition 1 and the ‘Living Wage Movement’ in SeaTac: Increasing Unemployment, Decreasing Opportunity,” August 16, 2013, Washington Research Council, available at: <http://www.researchcouncil.org>, select publications, business climate, scroll to correct report.

Seattle Update

The success of the SeaTac living wage proposal at the ballot-box last year has given impetus to establishing a \$15 per hour citywide minimum wage in Seattle, and the mayor and the city council have taken a number of steps toward that possible goal.

Last December, then Mayor-elect Ed Murray appointed a 23-member (now expanded to 25) Citizen’s Income Inequality Advisory Committee composed of a diverse group of community, labor, and business leaders to develop a set of recommendations for establishing a citywide minimum wage. The committee is expected to deliver its report to the mayor for his consideration in April 2014. (Note that this League report is being prepared in February 2014.)

In January the mayor signed Executive Order 2014-1 directing all city department heads to work with the Personnel Department in devel-

oping an implementation plan to raise the minimum wage of all city employees to \$15 an hour.

Based on Budget Office and Personnel Department estimates, the *Seattle Times* reported that:

- The cost to the city of raising all city employee salaries to the \$15 per hour minimum will run about \$1 million annually and affect about 800 city employees (out of about 11,300 full-time city employees);
- It could cost the city an additional \$500,000 to cover approximately 475 youth in a city low-income youth employment program;
- It could cost the city more, if the \$15 per hour minimum causes a “snowball” effect on the wages of other city employees (Lynn Thompson, *Seattle Times*, January 28, 2014);
- Those currently making less than \$15 an hour include ushers and admissions staff at Seattle Center, parks maintenance aides, and golf course groundskeepers in Parks and Recreation. Most work for the Parks Department. (Bill Lucia, *Crosscut*, January 2, 2014).

Recently the city council announced it was establishing a Select Committee on Minimum Wage and Income Inequality to review minimum wage-related legislation to be delivered from Mayor Murray relating to a Seattle-specific minimum wage. The committee is chaired by Councilmember Sally J. Clark with all nine councilmembers serving as members.

At this point, we do not know what the proposal for Seattle will look like. Will it call for an immediate \$15 per hour minimum wage? Will it recommend a phased-in approach? Will there be exemptions for small businesses? What workers and how many would be affected? All of these questions – and more – still need to be answered.

VII. Conclusion

Evaluating the impact of any public policy with potentially widespread economic consequences requires careful thought. This may be particularly true for an issue like the proposal for a citywide \$15 per hour minimum wage in Seattle. The fact is there is no empirical evidence for Seattle to draw on and numerous people have raised concerns. As League members, we need to be aware of the complexities involved and carefully follow the debate as it progresses.

Endnotes

1 Arindrajit Dube, Ph.D., statement before the U.S. Senate Committee on Health, Education, Labor & Pensions Hearing on “Keeping up with a Changing Economy: Indexing the Minimum Wage,” (March 14, 2013) at: <http://www.help.senate.gov/imo/media/doc/dube1.pdf> Note that Dube’s inflation-adjusted minimums are based on a consumer price index not used by all economists.

2 Sylvia Allegretto, Marc Doussard, Dave Graham-Squire, Ken Jacobs, Dan Thompson and Jeremy Thompson, “Fast Food, Poverty Wages: The Public Cost of Low-Wage Jobs in the Fast Food Industry,” University of California, Berkeley Labor Center (October 15, 2013) at: <http://www.laborcenter.berkeley.edu/> scroll down to select report.

3 David Cooper and Doug Hall, “Raising the Federal Minimum Wage to \$10.10 would Give Working Families, and the Overall Economy a Much Needed Boost,” Economic Policy Institute Briefing Paper (March 13, 2013) at: <http://www.epi.org/publication/bp357>

4 Congressional Budget Office, “The Effects of a Minimum-Wage Increase on Employment and Family Income,” (February 18, 2014) at: <http://www.cbo.gov/publication/44995>

- 5 Pamela M. Prah, "Next Wave of State Minimum Wage Proposals Would Index to Inflation," The Pew Charitable Trusts (March 15, 2013) at: <http://www.pewstates.org> enter report title in search box.
- 6 Harry J. Holzer, "Living Wage Laws: How Much Do (Can) They Matter," Metropolitan Policy Program at Brookings (December 10, 2008) at: <http://www.brookings.edu/> enter report title in search box.
- 7 Jeff Thompson and Jeff Chapman, "The Economic Impact of Local Living Wage Laws," Economic Policy Institute (February 15, 2006) at: <http://www.epi.publications/bp170>
- 8 Ibid. Note that the reference to the range in wage levels was written in 2006 and could be different today.
- 9 Howard Greenwich, "Why SeaTac's Prop 1 is Neither the Highest nor a Minimum Wage Initiative," (September 12, 2013) at: <http://www.pugetsoundsage.org/2013/09/12> , select the report title.
- 10 Ibid.
- 11 Nicole Vallesterio Keenan and Howard Greenwich, "The Economic Impacts of a Transportation and Hospitality Living Wage in the City of SeaTac," (September 2013) at: <http://www.pugetsoundsage.org>, select publications, select Report.
- 12 Thompson and Chapman, "The Economic Impact of Local Living Wage Laws."
- 13 David Neumark, Mathew Thompson and Leslie Koyle, "The Effects of Living Wage Laws on Low-Wage Workers and Low-Income Families: What Do We Know Now?" IZA (December 2012) at: <http://ftp.iza.org/dp7114.pdf>
- 14 John Schmitt and David Rosnick, "The Wage and Employment Impact of Minimum Wage Laws in Three Cities," Centre for Economic Policy Research (March 2011) at: <http://www.cepr.net/documents/publications/minimum-wage-2011-03.pdf>

"No business which depends for existence on paying less than living wages to its workers has any right to continue in this country... and by living wages I mean more than a bare subsistence level - I mean the wages of decent living."

- Franklin Delano Roosevelt

Unit Meetings

(Unit Meeting dates and times are subject to change. If you plan to drop in, please feel free to do so but we highly recommend you contact the unit leader to make sure you have the most current information.)

Unit Leader email	Phone	Time	Location
-------------------	-------	------	----------

Monday, April 7

SOUTHEND - Marian Wolfe and Vivian Montoya

hedgwolfe@aol.com	206-763-9430	7:30 p.m.	Hostess: Nancy Eitreim
montoyaviv@yahoo.com	206-695-2620		5511 52nd Ave S, Seattle 206-722-2820

Tuesday, April 8

BELLEVUE/KIRKLAND/REDMOND - Bonnie Rimawi

bonnierim@aol.com	425-820-7127	12:00 p.m.	The Bellevue Library, Room 6 1111 110th Ave NE, Bellevue
-------------------	--------------	------------	---

WEST SEATTLE – Amanda Berry and Ethel Williams

amandaberry@earthlink.net	206-724-7518	1:00 p.m.	Daystar Retirement Village
etheljw1@q.com	206-932-7887		2615 SW Barton St, Seattle

Wednesday, April 9

VIEW RIDGE – Gail Winberg

winbergeng@q.com	206-524-7801	12:45 p.m.	Brig Bldg. (6344) in Magnuson Park 7400 Sand Point Way, Seattle
------------------	--------------	------------	--

Directions: Go into the Park through North entrance at 74th and drive EAST toward water. At the STOP sign, turn LEFT to park in front of the Brig, or RIGHT, for more parking. There will be a speaker.

QUEEN ANNE/MAGNOLIA/BALLARD EVENING - Teddy Geokezas & Elsie Simon

tgeokezas@msn.com	206-782-5036	7:30 p.m.	Hostess: Eileen Bleeker
elsiesimon@comcast.net	206-283-6297		7317 Mary Ave NW, Seattle 206-789-4432

Thursday, April 10

SOUTHEAST KING COUNTY/ENUMCLAW - Cathy Dormaier

clcathy@skynetbb.com	360-802-6799	11:30 a.m.	Kelly's Mercantile 1444 Cole St, Enumclaw
----------------------	--------------	------------	--

NORTH CENTRAL – Jan Orlando

orlanre@aol.com	206-524-0936	2:00 p.m.	Hostess: Carol Long 3059 38th Ave SW, Seattle 206-932-1547
-----------------	--------------	-----------	--

Unit Leader email	Phone	Time	Location
Monday, April 14			
FIRST HILL – Joan Lawson			
joanvlawson@gmail.com	206-382-3147	10:00 a.m.	Horizon House, Forum & Social Rm 900 University St, Seattle
UNIVERSITY HOUSE/WALLINGFORD – Alice Chew			
achoo92@q.com	206-547-5395	10:00 a.m.	University House, Auditorium 4400 Stone Way N, Seattle
CAPITOL HILL/MONTLAKE			
	206-329-4848	7:15 p.m.	Hostess: Linnea Hirst 1602 E McGraw, Seattle 206-322-3076
Wednesday, April 16			
NORTH KING COUNTY – Toni Potter			
antoniapotter@comcast.net	206-365-8949	9:15 a.m.	Third Place Commons Meeting Room 17171 Bothell Way NE, Lake Forest Pk
SOUTHWEST KING COUNTY – Mary Ehlers and Kathy Jorgensen			
maryehlers@comcast.net	253-941-1930	7:00 p.m.	Foundation House
kjorgensen@juno.com	253-859-8349		32290 1st Ave S, Federal Way
Thursday, April 17			
ISSAQUAH DAY – Margaret Austin			
margaret.austin@comcast.net	425-392-5760	10:00 a.m.	Eagle room, Issaquah City Hall 130 E Sunset Way, Issaquah
Saturday, April 19			
BALLARD/MAGNOLIA/QUEEN ANNE DAY – Joan Peterson			
joanmepeterson@gmail.com	206-789-7447	10:00 a.m.	Hostess: Joan Peterson 6537 Dibble Avenue NW, Seattle

Board & Committee Contacts

Term	Executive Committee			
2013-15	<i>President</i>	Ellen Barton	206-329-4848	president@seattlelwv.org
2013-15	<i>1st VP-Action</i>	Janet Winans	206-323-4825	janetwinans@earthlink.net
2012-14	<i>2nd VP-Program</i>	Beatrice Crane	206-783-8485	bscrane@comcast.net
2013-15	<i>Secretary</i>	Amanda Clark	206-236-0517	amandac5@comcast.net
2013-14	<i>Treasurer</i>	Cindy Piennett	206-329-4848	cindypiennett@gmail.com

Term	Directors			
2012-14	<i>Voter Editor</i>	Marge Baker	206-535-7299	votereditor@seattlelwv.org
2012-14	<i>Program</i>	Carol Burton	206-691-1298	ctburton7@gmail.com
2013-15	<i>Voter Services</i>	Joanna Cullen	206-329-8514	jfoxcullen@gmail.com
2013-15	<i>Social Justice</i>	Jayne Freitag	425-223-5827	mjafreitag@comcast.net
2012-14	<i>Membership</i>	Susan K. Jones	206-725-2902	susan@monckjones.com
2012-14	<i>Voter Services</i>	Julie Anne Kempf	206-329-4848	julie@kempf.com
2012-14	<i>Unit Coordinator</i>	Lindsay Soyer	406-546-9314	lindsaysoyer@gmail.com
2012-14	<i>Development</i>	Lisa Unsoeld-Chang	206-329-4848	lisac@seattlelwv.org
2012-14	<i>Outreach</i>	Mary Jo Vigil	206-318-6939	mjvigil@starbucks.com

Note: All board members listed above, with the exception of the Treasurer, are also members of the Education Fund Board

Term	Education Fund Officers			
2013-14	<i>President</i>	Ellen Barton	206-329-4848	president@seattlelwv.org
2013-14	<i>1st VP</i>	Lisa Unsoeld-Chang	206-329-4848	lisac@seattlelwv.org
2013-15	<i>Secretary</i>	Amanda Clark	206-236-0517	amandac5@comcast.net
2013-15	<i>Treasurer</i>	Ginna Owens	206-215-1408	ginnao@earthlink.net
2013-14	<i>Director</i>	Pat McCann	206-878-2799	thomaspa@centurylink.net

Term	Nominating Committee			
2013-14	<i>Chair</i>	Judy Bevington	206-329-4848	judybevington@q.com
2013-14		Judith Hance	206-329-4848	judithhance2@gmail.com
2013-14		Cynthia Howe	206-329-4848	howe.john@comcast.net
2013-14		Lisa Peterson	206-329-4848	M_K_productions@yahoo.com

Note: Boardmembers Julie Anne Kempf and MJ Vigil are also serving on the nominating committee.

Off Board Positions

Campaign Finance	Jean Carlson	206-774-6649	carlson.jean@gmail.com
KC South Liaison	Mary Ehlers	253-941-1930	maryehlers@comcast.net
CIS Coordinator	Cynthia Howe	206-236-0593	howe.john@comcast.net
Observer Corps	Pat McCann	206-878-2799	thomaspa@centurylink.net

Committees

<i>Economics & Taxation</i>	Jeanette Johnson		jeanettejohnson10@msn.com
<i>Education</i>	Joanna Cullen	206-329-8514	jfoxcullen@gmail.com
<i>International Relations</i>	see page 7		
<i>Social Justice</i>	Jayne Freitag	425-223-5827	mjafreitag@comcast.net
<i>Transportation</i>	Janet Winans	206-323-4825	janetwinans@earthlink.net

The League of Women Voters of Seattle-King County
1620 18th Ave, Suite 101
Seattle WA 98122

Periodicals Postage
Paid at Seattle, WA

Moving? Let us know!

Call the League office at (206) 329-4848 or
email info@seattlelwv.org

LWV SEATTLE-KING COUNTY:

Minimum Wage - Living Wage

Thursday, April 3

7:00 p.m. - Doors Open

7:30 p.m. - Forum Begins

Seattle First Baptist Church

1111 Harvard Ave (at Seneca)

Seattle, WA

Accessible entrance on Harvard

This forum is free and open to the public.

Speakers:

- **Diana Pearce**, Senior Lecturer and Director,
Center for Women's Welfare, School of Social
Work, University of Washington
- **David Rolf**, President of the Service Employees
International Union 775NW and Co-chair of
the Seattle Mayor's Income Inequality Advisory
Committee
- **Howard S. Wright III**, founder and CEO of
Seattle Hospitality Group and Co-chair of the
Seattle Mayor's Income Inequality Advisory
Committee