



Proposed Process for Evaluation of a Locally Mandated Minimum Wage

Background

Evaluation of a process to consider Olympia only mandated minimum wage has been assigned to the City Council's Finance Committee.

On April 10, 2018, the City Council approved a referral (*Attachment 1*) for staff to develop a detailed process (including content, timeline, public engagement and expenses) to fully consider the pros/cons and impacts of increased minimum wage for Olympia only.

Process – Proposed Tasks

I. Develop a Business/Non-profit Profile for Olympia

Most of Olympia's businesses are small or very small. Olympia is also home to a number of non-profit organizations. All would be impacted by an increase in the minimum wage. A business profile will help identify the number and scale of businesses and non-profits who will be impacted.

- Number of very small - less than 10 employees
- Number of small - 10 – 50 employees
- Percent grossing less than \$1 Million/year
- Percent grossing less than \$500,000/year
- Percent grossing less than \$200,000/year
- Number of non-profits
- Number of employees per non-profit

II. Data

Data gathering and analysis will better determine which sectors of the economy will be most impacted by an increased minimum wage. Many large employers such as government, schools, and medical services generally pay above state minimum wage. Other more competitive sectors like retail and restaurant often mirror the state minimum wage.

- Gather data on Olympia's employment sector
 1. Number of jobs per category (retail, restaurants etc.)
 2. Wage and salary data per category
 3. Percent of each category at \$15 per hour
 4. Percent of each category below \$13 per hour
- Data sales
 1. Retail Sales - percent in Olympia, number of employees, wage data
 2. Restaurant sales - percent in Olympia, number of employees, wage data

III. Business/Non Profit Impact Survey

A survey will solicit direct and indirect impacts for those required to impose the increased wage.

- Develop a statistically valid survey using Elway Research
- Develop time and costs

IV. Focus Group Process

The minimum wage initiative in Tacoma used their model to forge wage options for Tacoma which received voter consideration. Focus Group members could include:

- Minimum Wage Earners
- Non-profits
- Small Businesses
- Large Businesses
- Organized Labor (Allison Peters Proposal – Cost and timeline)

V. Research on Minimum Wage in Other Cities

- Seattle
- Tacoma
- SeaTac
- Impacts/Pros & Cons/Unintended Impacts

VI. Ballot Options

- Dates and Costs
- Pros and Cons

VII. Implementation Costs and Issues

Develop an estimate of staffing and cost to provide employer/employee education about a different minimum wage.

- Staffing
- Costs
- Education/Effort
- Enforcement?

VIII. Cumulative Impact on Employers

The 2018 Legislative Session included new mandates for business which will be felt in 2018 – 2020. Assess the current impact at these regiments on Olympia employers to get a baseline.

- New State Mandates
 1. State minimum wage increases
 - 2018 - \$12/hour
 - 2019 - \$12.50/hour
 - 2020 - \$13/hour
 2. Mandatory sick leave
 3. Paid family medical leave – January 2019



2019 Election Dates/Estimated Costs/Pros and Cons

Type	Date	Cost	Pros	Cons
Primary	August 2019	Up to \$100,000	<ul style="list-style-type: none">• More time to prepare• Some time for public engagement	<ul style="list-style-type: none">• Cost could still be high if no other City issues on ballot
General	November 5, 2019	Up to \$50,000	<ul style="list-style-type: none">• Least expensive• Most time for public dialogue	<ul style="list-style-type: none">• Deadline for Council is early August
Special	February 2020	\$100-150,000	<ul style="list-style-type: none">• Single issue for voter attention	<ul style="list-style-type: none">• Most expensive• Least time for community dialogue• No time for analysis public information



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At EnviroIssues, we've built our name on bringing people together to tackle complex issues. We are a full-service public participation firm providing outreach and engagement, communications, research facilitation and creative services on some of the most complex and visible projects that face our local communities. A hallmark of our team's value is our unparalleled research capabilities that help inform decision-making for public agencies.

As you know, EnviroIssues has in-house expertise in research design, including telephone surveys, online surveys, group facilitation, custom panels, focus groups and stakeholder interviews, intercept surveys and written surveys. Our in-house outreach platform, EnviroLytical™, associates and synthesizes attitudinal data and participation for benchmarking and tracking. We have substantial expertise with online platforms such as Survey Gizmo, Survey Monkey and similar online survey tools. We have long-standing relationships with telephone banks and data processing teams throughout the region.

EnviroIssues' value includes extensive depth of experience in community surveying across a diverse and skilled 100-person consulting team. We have in-house capacity to staff projects with our full-time professional staff and guide work with senior associates who bring unparalleled expertise in strategic messaging and project management.

Alison Peters leads our research team and directs all research activities, including focus groups and surveys (online, telephone, mail and in-person). She has more than 20 years of public opinion research experience which includes 12 years as principal of her own research practice. During that time, she worked with public sector clients in the Northwest including state agencies, counties, municipalities, special taxing districts for parks, libraries, public health, public safety and schools. She is one of the only researchers in the region to be consistently sought-after by both business associations and coalitions and labor unions. Alison has led over 500 telephone surveys and moderated over 500 focus groups since 1997. Her clients have included:

- Clackamas County
- Clark County
- City of Portland
- City of Redmond
- City of Seattle
- Timberland Regional Library
- North Thurston Public Schools
- WSDOT
- WA State Department of Health
- Washington Hospitality Association
- Washington Policy Center

PROJECT APPROACH

Local minimum wage proposals can present conceptual and technical challenges in design, implementation and regulatory. New rates have passed statewide and been proposed at the

local level and in most cases, it's still very early to draw specific conclusions. As a result, as more proposals continue being debated, the public's initial response is generally a combination of interest, doubt and confusion.

Our role alongside emerging policy discussions is to design and implement research tools that achieve the following objectives:

- Provide the public or an affected audience (e.g. business owners) a chance to give input on a topic and ask questions
- Provide opportunities for participants to describe their connection to the discussion topic, their point of view and determine if any information presented during the session changes the participant's opinions
- Help public entities understand how the topic(s) are understood, what questions emerge from constructive debate and what community priorities exist that could be addressed through policy changes
- Recommend how to share what was heard with the public so communities can understand where their feedback was sewn into proposed legislation, or if not, why not

As a critical affected audience, local business owners do not often come together to discuss the potential impacts of minimum wage legislation on their prices, product offerings, profit margins and workforce. Their needs and experiences, however, are often mentioned as an important consideration for policymakers and the public in evaluating how or why new wage rates should be considered. In order to hear from a mix of business owners across multiple industries, we propose small-group focus group discussions with these owners. Focus groups are open, yet structured conversations that allow the group to hear and debate a variety of topics over the course of two-hours. A trained and neutral moderator helps set parameters so that participants stay focused on the most critical issues and make the best use of the time available.

Between two and four sessions are often the sweet spot to identify common trends across disparate participants and involve a diverse cross-section of the business community. The sessions would take place in Olympia and could occur in the evenings or during daytime hours depending on how many sessions are scheduled. Each session would be moderated by Alison Peters.

In managing focus group projects, our role involves the following subtasks:

Subtasks

- Project scoping and timeline
- Collaboration on final recruiting of businesses
- Drafting and approval of final Discussion guide
- Recruiting 13 business owners and confirmations for up to 8-10 to show up
- Moderating each session
- Hosting each session at a convenient Olympia hotel, with private observation capabilities
- Audio and video recording of each session
- Transcript of each session (optional)
- Refreshments and cash stipends for participants
- Copies of any handouts completed by participants
- Final written report of key themes, findings and recommendations

- Final in-person presentation to city staff or Council (optional)

Assumptions

- Two focus groups per day/evening
- City provides a list of businesses qualified to participate
- Mileage to Olympia from Seattle billed at IRS allowable rate

Ballpark Budget

- \$7,000 per focus group
- Direct expenses included: facility rental, cash incentives at \$100 per participant, recruiting 13 participants per session, onsite refreshments, observation room capabilities

We would be happy to answer questions about our focus group expertise and hear if we “got it right” in this summary of our approach. Let us know how we can be helpful as you move forward in more detailed exploration of this topic.