

## POLICY NOTE

# Citizens' Guide to Spokane's Proposition 1: The Worker Bill of Rights

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### Key Findings

1. *Proposition 1 would require Spokane city businesses with 150 or more employees to pay an unspecified "family wage." City officials would set the wage based on certain rules.*
2. *Spokane workers already enjoy one of the nation's highest real minimum wages because of the city's low cost of living. With cost of living taken into account, Spokane has the second highest real minimum wage of any U.S. city.*
3. *Proposition 1 would establish "equal" pay rules so broadly that everyone would become a member of a protected class. Employers would feel pressure to pay the same wages to workers with different experience, skills and productivity to avoid lawsuits.*
4. *Washington workers are already protected by the Equal Pay Act, the Civil Rights Act and the Washington Law Against Discrimination.*
5. *Proposition 1 would require employers with 10 or more employees to prove "cause" to fire or lay-off a worker, ending at-will employment in Spokane. "Cause" would be defined by union collective bargaining rules. Forty-nine states are at-will employment states.*

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Spokane's Proposition 1, the Worker Bill of Rights, includes four key sections. The measure would: 1) require large employers pay a "family wage;" 2) require "equal" pay as set by city officials; 3) require employers to prove "cause" for firing or laying off a worker, and; 4) would take away legal rights of Spokane residents who come together as a corporation to start a business.

This Policy Note provides a brief review of each provision. More information is provided in our in-depth "Citizens' Guide to Spokane's Proposition 1" available at [www.washingtonpolicy.org](http://www.washingtonpolicy.org).

### 1. Employers must pay a "family wage"

Under the Worker Bill of Rights, businesses with 150 or more employees would have to pay a "family wage" indexed to inflation. "Family wage" is not defined. City officials would set the wage based on certain parameters, such as "basic needs," "future emergencies" and "without public assistance." These terms are not defined in the proposal either.

Analysis of the parameters shows "family wage" could be set anywhere from \$11.85 to \$28.11 per hour. It would be phased in over two years.

The "family wage" level could be less for employers who provide benefits for "one or more basic needs." City officials would decide the meaning of this term; it is not defined in the proposal.

Opponents of Proposition 1 say its undefined wage mandate is not needed. Spokane workers already enjoy one of the nation's highest real minimum wages because of the city's low cost of living. When controlled for living costs, Spokane has the second highest real minimum wage of any U.S. city.

### 2. Requiring "equal" pay

Proposition 1 would establish equal pay based on "gender, sexual orientation, gender identity, gender express, familial status, race, ethnicity, national origin, citizenship, economic class, religion, age or developmental, mental, or physical ability."

Essentially, everyone would become a member of a protected class. Employers would feel pressure to pay the same wages to workers with different experience, skills and productivity, just to avoid lawsuits and negative news coverage. Employers would be reluctant to pay based only on work performance, so some workers would unfairly receive higher wages for unequal work.

## Key Findings

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6. *Proposition 1 would take legal rights away from citizens who form a corporation to start a business, in conflict with laws that say business owners have the same rights as other citizens, including free speech and access to the courts.*
7. *Spokane taxpayers could be required to defend the measure against the city's own anti-discrimination laws.*
8. *Proposition 1 would reduce jobs, drive up costs and take away the rights of law-abiding business owners. It would harm the economic climate, encourage businesses to leave Spokane, and would likely require local taxpayers to pay for a flurry of lawsuits.*
9. *The City would be required to promulgate the rules and policies necessary to implement Proposition 1. Failure to do so would leave Spokane open to "action against the city" by any person. However, the measure does not include any way to fund the city's new costs associated with Proposition 1.*

Also, Washington already has the Equal Pay Act, the Civil Rights Act and the Washington Law Against Discrimination to prevent unfair treatment in the workplace.

### 3. Employers required to prove "cause" for lay-offs

This provision would require employers in Spokane with 10 or more employees to prove "cause" to fire or lay-off an employee, ending the at-will standard that allows employers to adjust employment as needed.

"Cause" would be defined by "collective bargaining and labor relations" rules. Employers would be required to prove lay-offs are based on "work performance," or "necessary for economic hardship." Employers would have to prove they have a "fair, objective, and non-discriminatory termination process" that lets workers oppose the termination.

The law already protects against wrongful firing. Anti-discrimination laws prohibit firing because of race, gender, color, religion, national origin, age or handicap. Other laws protect workers for refusing to commit illegal acts, for taking family or medical leave, for forming a union, for whistleblowing and for other reasons. That is why 49 states are at-will employment states. Montana is the only exception.

### 4. Reduced rights for people forming a corporation to start a business

Proposition 1 would strip legal rights from citizens who are owners or stockholders in a corporate or business entity in Spokane. They would be denied the right to access the courts or otherwise "interfere with the rights enumerated" in the Proposition. Non-business owning citizens would retain their full legal rights.

This conflicts with laws that recognize owners of corporations engaging in legal commerce as having the same rights as other individuals, including free speech and access to the courts.

It is unlikely Proposition 1's discrimination would survive a legal challenge. Ironically, though, Spokane taxpayers could be required defend the measure in court against the city's own anti-discrimination laws.

## Conclusion

While proponents of the Workers Bill of Rights say it would bestow more "rights for workers" while "protecting the local economy," it is likely the measure would have a much harsher impact.

Forcing Spokane's employers to pay an artificially high "family wage," justify the different wages their workers earn in the name of "equal" pay, and prove "cause" for firing an employee would hurt the business climate and make it harder to create new jobs. Proposition 1 would fall hardest on the unemployed, on younger, low-skilled workers and on low-income families.



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