

2020 Seattle City Council Budget Action

Agenda

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FAS	2	A	1

Budget Action Title: Add \$537,000 GF and three FTE to FAS to lower the Priority Hire program project threshold, and impose a proviso

Ongoing: Yes Has Budget Proviso: Yes

Has CIP Amendment: No

Primary Sponsor: Lisa Herbold

Council Members:

Staff Analyst: Lish Whitson

Council Bill or Resolution:

Date		Total	LH	BH	KS	AP	DJ	MO	SB	TM	LG
	Yes	0									
	No	0									
	Abstain	0									
	Absent	0									

Summary of Dollar Effect

See the following pages for detailed technical information

	2020 Increase (Decrease)	2021 Increase (Decrease)
General Fund		
General Fund Revenues	\$0	
General Fund Expenditures	\$536,970	
Net Balance Effect	\$(536,970)	
Other Funds		
Finance and Administrative Services Fund (50300)		
Revenues	\$536,970	
Expenditures	\$536,970	
Net Balance Effect	\$0	
Total Budget Balance Effect	\$(536,970)	

Budget Action Description:

This Council Budget Action would add \$537,000 GF to the FAS Fund and 3 FTE Senior Contract Analysts to support reducing the project size threshold of the Priority Hire program from \$5 million to \$2.5 million. A proviso would restrict funding and hiring until the Executive consults with the Priority Hire

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Advisory Committee (PHAC) on a recommendation regarding a lower project size threshold and the City Council adopts an ordinance to amend Seattle Municipal Code Chapter 20.37 to lower the threshold and lift the proviso. Funding is provided to start the Contract Specialists on April 1, 2020.

Using the current project threshold of \$5 million, the City's 2020 Proposed Budget includes \$2.6 million to manage an average of 10 projects participating in the Priority Hire program. Funds are spent both on City staff to manage the construction contracts and contracts with nonprofits to support job-seekers and recruit for construction jobs. Lowering the threshold to \$2.5 million is expected to add six to twelve projects a year. Managing these additional projects is expected to require 3.0 FTE Senior Contract Analysts. This Council Budget Action assumes that these staff will start on April 1, 2020, costing \$286,308 in 2020, including benefits. Starting in 2021, the positions would cost \$364,819. Half of the time of the new positions would be spent drafting and negotiating Community Workforce Agreements and the other half of their time would be used to monitor contract compliance.

This Council Budget Action provides \$112,300 to contract with community-based organizations to provide support to job-seekers, connecting them to these projects. FAS currently spends approximately \$700,000 a year to fund community-based organizations who recruit, train and provide worker retention support services to priority workers in the construction industry.

The Council Budget Action also includes \$138,400 for FAS indirect costs to support this body of work and staff.

This Council Budget Action would impose the following budget proviso:

“Of the appropriation in the 2020 budget for the Department of Finance and Administrative Services, \$536,970 is appropriated solely to facilitate an increase in the number of projects participating in the Priority Hire program by changing the definition of covered project from \$5 million to \$2.5 million. None of the money so appropriated may be spent until authorized by a future ordinance. The City Council anticipates that such authority will not be granted until after the Priority Hire Advisory Committee has made a recommendation about amending the Seattle Municipal Code to change the threshold. If the Priority Hire Advisory Committee recommends making the change from \$5 million to \$2.5 million, the City Council anticipates that language to lift the proviso will be included in a Council Bill that also amends the Seattle Municipal Code to lower the threshold.”

Background

Priority Hire promotes access to construction careers for women, people of color and others with social and economic disadvantages. Using City-funded and public/private partnership projects, the Priority Hire Program prioritizes the hiring of residents that live in economically distressed areas, particularly in Seattle and King County. In addition, projects included in the Priority Hire program have apprentice utilization requirements and aspirational goals for participation by women and people of color.

The City receives advice on priority hire implementation and effectiveness from the PHAC. The Priority Hire project threshold is set by Seattle Municipal Code Chapter 20.37, which would need to be amended prior to the threshold being lowered. Consequently, this Council Budget Action includes a proviso that restricts spending of these funds and hiring the new positions until the PHAC makes a recommendation about changing the threshold and the City Council adopts an ordinance codifying the new threshold.

Budget Action Transactions

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#	Transaction Description	Position Title	Number of Positions	FTE	Dept	BSL	Fund	Year	Revenue Amount	Expenditure Amount
1	Add funding for indirect and overhead costs to FAS for changes to Priority Hire		0	0	FAS - FA000	FAS - BO-FA-CPCS - City Purchasing and Contracting Services	50300 - Finance and Administrative Services Fund	2020	\$0	\$138,361
2	Add funding to provide support to job-seekers through community-based organizations		0	0	FAS - FA000	FAS - BO-FA-CPCS - City Purchasing and Contracting Services	50300 - Finance and Administrative Services Fund	2020	\$0	\$112,300
3	Increase revenue from GF to FAS fund for Priority Hire		0	0	FAS - FA000	FAS - BO-FA-CPCS - City Purchasing and Contracting Services	50300 - Finance and Administrative Services Fund	2020	\$536,970	\$0
4	Pocket Adjustments		0	0	FAS - FA000	FAS - BO-FA-CPCS - City Purchasing and Contracting Services	50300 - Finance and Administrative Services Fund	2020	\$0	\$286,309
5	Pocket Adjustments	Contract Anlyst,Sr	3	3	FAS - FA000	FAS - BO-FA-CPCS - City Purchasing and Contracting Services	50300 - Finance and Administrative Services Fund	2020	\$0	\$0
6	Increase GF support to FAS for priority hire		0	0	FG - FG000	FG - BO-FG-2QA00 - Appropriation to Special Funds	00100 - General Fund	2020	\$0	\$536,970