

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

..title

AN ORDINANCE relating to human services contracts that include appropriated money expressly reserved for increases to human services contracts for the purpose of human services provider pay; requiring that such appropriated money be used only for wage increases for human services providers that are in addition to inflationary adjustments; establishing contracting and reporting requirements regarding use of such appropriated money; and adding a new Chapter 20.61 and Section 20.61.010 to the Seattle Municipal Code.

..body

WHEREAS, in 2019, the City enacted Ordinance 125865 establishing Seattle Municipal Code Section 3.20.060 to require annual inflationary adjustments for Human Services Department (HSD)-administered human services contracts to reflect actual operating costs (including wages), unless explicitly prohibited by or otherwise incompatible with requirements of the funding source, because the City found that human services agencies have challenges maintaining services due to vacancies, turnover rates, low wages, and increasing costs; and

WHEREAS, the University of Washington published the Wage Equity Study in February 2023; and

WHEREAS, the Wage Equity Study found that holding constant worker characteristics such as education level or age, median annual pay for human services workers in the non-profit sector is 37 percent lower than in non-care industries; and closing a 37 percent wage equity gap would require a 59 percent increase in wages; and

WHEREAS, the Wage Equity Study found that workers who leave the human services industry for a job in a different industry see a net pay increase of seven percent a year later

1 (relative to workers who stay in human services) after accounting for observable worker
2 and employer characteristics; and

3 WHEREAS, the Wage Equity Study included a job evaluation that demonstrated that the gaps
4 revealed in the market analysis between human services workers and workers in other
5 industries do not reflect lower pay because human services work is easier, less skilled, or
6 less demanding than other jobs; and

7 WHEREAS, the Wage Equity Study found that just under half (48 percent) of human services
8 workers in King County were employed in the non-profit sector and much of this work is
9 performed under contracts with local, county, and state governments to deliver services to
10 residents; and

11 WHEREAS, the Wage Equity Study recommended that by 2025 non-profit human services
12 organizations and their governmental and non-governmental funders should increase
13 human services workers' wages by at least seven percent beginning in the next one to two
14 years, in addition to any inflationary adjustment, as this amount represents a starting
15 point for the minimum increase needed immediately to reduce the number of workers
16 leaving human services posts for significantly higher-paying jobs in other industries; and

17 WHEREAS, the Wage Equity Study also recommended that non-profit human services
18 organizations and their governmental and non-governmental funders should make
19 adjustments for inflation separate from wage equity adjustments; and

20 WHEREAS, City Council passed Resolution 32094 in 2023, stating City Council's intent to
21 consider increasing HSD administered contracts by 7 percent by 2025, in addition to
22 inflationary adjustments, for purposes of advancing wage equity in collaboration with
23 other funders; and

1 WHEREAS, Resolution 32094 also acknowledged that other City departments may administer
2 human services contracts and requests those departments to consider wage equity
3 increases and inflationary adjustments when renewing or renegotiating human services
4 contracts, as well as requested a report from the Executive by April 1, 2024 on the total
5 number and amount of human services contracts administered by other departments
6 outside of HSD; and

7 WHEREAS, the 2024 Proposed Budget Adjustments contained an appropriation for a two
8 percent increase for human services provider pay to all HSD-administered contracts
9 receiving a required inflationary adjustment under Seattle Municipal Code Section
10 3.20.060, one contract administered by the Department of Neighborhoods, and eight
11 contracts administered by the Department of Education and Early Learning;

12 NOW, THEREFORE,

13 **BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

14 Section 1. A new Chapter 20.61, consisting of Section 20.61.010, is added to the Seattle
15 Municipal Code as follows:

16 **Chapter 20.61 CONTRACTING BUDGETS**

17 **20.61.010 Provider pay funds for human services contracts**

18 For human services contracts that include appropriated money expressly reserved for increases to
19 human services contracts for the purpose of human services provider pay, such appropriated
20 money:

21 A. Shall only be used to increase the wages of human services workers, including the
22 workers hired by both prime contractors and subcontractors; and

23 B. Must be in addition to any inflationary adjustments.

1 Section 2. The Human Services Department shall provide a report to City Council
2 annually by June 30, covering the prior year's contracts that were subject to Seattle Municipal
3 Code Section 20.61.010, including those administered by other departments. The report shall
4 provide information on:

5 A. A list of all organizations whose contracts include appropriated money expressly
6 reserved for human services provider pay, including the prime contracts and their sub-contracted
7 organizations;

8 B. The amount of such appropriated money included in each of the organizations'
9 contracts;

10 C. A list of any organizations that declined such appropriated money and the reason why
11 it was declined;

12 D. A narrative on how such appropriated money was used by providers, including which
13 positions had wage increases due in part or in whole to the appropriated money;

14 E. A description of other funding sources that contributed to human services provider pay
15 increases at contracting organizations during the same time period; and

16 F. A description of inflationary adjustments provided to staff, including the amount of the
17 inflationary adjustment and, if applicable, the extent to which inflationary adjustments provided
18 under Seattle Municipal Code Section 3.20.060 was used to pay for staff inflationary
19 adjustments.

1 Section 3. This ordinance shall take effect and be in force 30 days after its approval by
2 the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it
3 shall take effect as provided by Seattle Municipal Code Section 1.04.020.

4 Passed by the City Council the _____ day of _____, 2023,
5 and signed by me in open session in authentication of its passage this _____ day of
6 _____, 2023.

7 _____
8 President _____ of the City Council

9 Approved / returned unsigned / vetoed this _____ day of _____, 2023.

10 _____
11 Bruce A. Harrell, Mayor

12 Filed by me this _____ day of _____, 2023.

13 _____
14 Scheereen Dedman, City Clerk

15 (Seal)

16 Attachments (if any):