

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact:	CBO Contact:
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* Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.

1. BILL SUMMARY

Legislation Title: A RESOLUTION concerning wage equity for non-profit human services workers; expressing the City Council’s intent to consider increasing human services contracts to support wage equity in collaboration with other funders; and requesting information and action from the Executive to advance human services workers wage equity.

Summary and Background of the Legislation:

Wage Equity Study:

In February 2023, the University of Washington’s (UW) School of Social Work published a Wage Equity Study, commissioned by the Human Services Department (HSD). The study consisted of two separate parts. The first part was a market analysis, which compared pay for human services workers and workers in other industries using local, state and federal quantitative employment data while controlling for observable worker characteristics such as age and education level. The second part was a job evaluation, which compared a subset of specific human services jobs to jobs in other industries using in-depth questionnaires and interviews. The job evaluation was a complement to the market analysis in order to determine if any differences in pay were attributable to the underlying nature of human services work as compared to other industries.

The market analysis found that there is a 37 percent wage gap between non-profit human service workers and workers in non-care industries, which it would take a 59 percent wage increase to close. It also found that workers who leave the human services industry for jobs in other industries see a net pay increase of 7 percent a year later. The job evaluation found that the gaps revealed in the market analysis between human services workers and workers in other industries do not reflect lower pay because human services work is easier, less skilled, or less demanding than other jobs.

Wage Equity Resolution

This Resolution would state the Council’s acknowledgement of its responsibility to make a meaningful contribution toward achieving wage equity for non-profit human services workers by:

1. Recognizing the short-term and long-term recommendations in the UW Wage Equity Study, which include a recommendation to increase human services worker wages by at least 7 percent by 2025 and to substantially increase wages for non-profit human services workers to align with those of workers doing comparable work in other sectors and industries by 2030.

2. Collaborating with private and public funders to make joint progress on wage equity.
3. Intending to consider recommendations to increase to HSD-administered contracts of 7 percent by 2025 and additional increases in 2026 and beyond, with wage equity adjustments to be in addition to inflationary adjustments.
4. Considering additional actions upon reviewing HSD’s response to Statement of Legislative Intent (SLI) HSD-300-A-002-2003, which is due on June 20, 2023.
5. Requesting a plan from HSD on how the department would incorporate wage equity into the application evaluation and contracting process, in order to help ensure that increases in contracts for purposes of wage equity were used to increase worker wages.
6. Requesting that the Executive consider wage equity increases for human service contracts administered by departments outside of HSD and provide a report with information on those contracts.

2. CAPITAL IMPROVEMENT PROGRAM

Does this legislation create, fund, or amend a CIP Project? Yes No

If yes, please fill out the table below and attach a new (if creating a project) or marked-up (if amending) CIP Page to the Council Bill. Please include the spending plan as part of the attached CIP Page. If no, please delete the table.

Project Name:	Project I.D.:	Project Location:	Start Date:	End Date:	Total Project Cost Through 2028:

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation amend the Adopted Budget? Yes No

If there are no changes to appropriations, revenues, or positions, please delete the table below.

Appropriation change (\$):	General Fund \$		Other \$	
	2023	2024	2023	2024
Estimated revenue change (\$):	Revenue to General Fund		Revenue to Other Funds	
	2023	2024	2023	2024
Positions affected:	No. of Positions		Total FTE Change	
	2023	2024	2023	2024

Does the legislation have other financial impacts to The City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?

The Resolution states Council’s intent to consider increasing HSD-administered contracts by 7 percent by 2025 and to consider additional wage equity between 2026-2030 for purposes of advancing wage equity, both of which were recommendations in the UW Wage Equity Study. If the City were to provide a wage equity increase of 3.5 percent in 2024 and 3.5 percent in 2025 the total cumulative cost would be \$22.88 million (\$7.34 million in 2024 and \$15.54 million in 2025.) Costs impacts in 2026 and beyond would depend on the size of the wage equity increase.

Are there financial costs or other impacts of *not* implementing the legislation?

Low wages in the non-profit human services sector have multiple impacts, including high levels of staff vacancies and turnover, increased recruiting and retention costs, difficulty in expending contracted funds and providing services and disruption of relationships between workers and program participants which are essential for successful outcomes. These challenges can impede the City’s ability to effectively provide human services for the City’s most vulnerable communities and address critical issues, such as reducing homelessness. Increasing wages would increase the ability of providers to effectively deliver services.

4. OTHER IMPLICATIONS

a. Does this legislation affect any departments besides the originating department?

The Resolution requests collaboration with the Executive and specific deliverables from HSD and the City Budget Office, including requests that:

- HSD provide a plan on how the department would incorporate wage equity into the evaluation and contracting process,.
- The Executive continue to participate in the Seattle Human Services Coalition convening of public and private funders to develop strategies for addressing wage equity.
- The Executive work with Council to focus workforce investments on increasing worker wages, including those in the Crisis Care Center Levy, proposed Seattle Housing Levy and proposed Veterans, Seniors, and Human Services Levy.
- The City Budget Office consider wage equity increases for human services contracts administered outside of HSD and provide a report with information on those contracts.

b. Is a public hearing required for this legislation?

No

c. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?

No

d. Does this legislation affect a piece of property?

No

e. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities? What is the Language Access plan for any communications to the public?

Raising wages of human services workers would disproportionately benefit Black workers and women who are overrepresented in this industry. Women comprise almost 80 percent of workers in human services. Black workers are almost three times as likely to work in human services as they are to work in non-care industries. Today's human services workers face lower wages because industry wages have carried forward historic gender and racial discrimination. Workers of color have historically experienced and still experience discrimination in employment that constricts their opportunities and reduces their bargaining power. Discrimination is also associated with a cultural devaluation of skills and commitments of people of color that shows up in lower wages. While the City cannot address wage equity issues alone – given that most non-profit human services organizations have multiple funding sources – it can help contribute its share towards addressing this issue and provide leadership in this area.

f. Climate Change Implications

1. Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way?

No

2. Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle's resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.

No

g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s)?

The long-term goals of this Resolution are to increase human services worker wages, which would result in lower vacancies and less staff turnover and allow organizations to more effectively provide human services to Seattle's vulnerable populations. Under the resolution, Council would intend to consider increasing HSD-administered contracts by 7 percent by 2025 for purposes of wage equity.

Summary Attachments (if any):