

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact:	CBO Contact:
LEG	Jennifer LaBrecque	N/A

** 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: AN ORDINANCE relating to human services contracts that include appropriated money expressly reserved for the purpose of human services provider pay; requiring that such appropriated money be used only for wage increases for human services workers 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.

Summary and Background of the Legislation: The 2024 Proposed Budget Adjustments include \$4.3 million for a two percent increase to some City-administered human services contracts for purposes of provider pay. Four proposed Council Budget Actions (CBA) bring the total proposed amount for human services provider pay up to \$5.1 million.

The [2024 Proposed Budget Adjustments](#) included \$4.3 million for a two percent increase to human services contracts for purposes of provider pay in the Human Services Department (HSD), the Department of Education and Early Learning (DEEL) and the Department of Neighborhoods (DON).¹ [HSD-809-A](#) provides an additional \$324,000 in order to calculate the two percent increase on the higher, inflationary adjusted base. [HSD-001-A](#) provides \$360,000 for a two percent increase to contracts funded through the Department of Housing and Urban Development's Continuum of Care (CoC) grants, which are administered by the King County Regional Homelessness Authority (KCRHA).² [HSD-002-A](#) provides \$501,000 of funding for 2024 KCRHA contracts to be funded through 2023 KCRHA underspend, with \$112,000 of that for a two percent provider pay increase.

The purpose of this legislation is to require that any human services contracts that include appropriated money expressly reserved for the purpose of human services provider pay be used only for wage increases for human services workers and that those increases be in addition to inflationary adjustments. Additionally, the legislation establishes contracting and reporting requirements regarding use of such appropriated money and adds a new Chapter 20.61 and Section 20.61.010 to the Seattle Municipal Code (SMC).

In order to expressly reserve funds for the purposes of human services provider pay and activate the requirements found in this legislation, provisos have been imposed in HSD-809-A, HSD-001-A, HSD-002-A requiring that a portion of HSD's 2024 budget be appropriated solely for

¹ Includes all HSD-administered contracts receiving a required inflationary adjustment under SMC 3.20.060, one contract administered by DON, and eight contracts administered by DEEL.

² CoC grants were administered by the Human Services Department until 2021; in 2022 the King County Regional Homelessness Authority began receiving and administering the funds directly from HUD.

provider pay to increase human services worker wages in addition to inflationary adjustments and may be spent for no other purpose. The proviso in HSD-809-A includes the \$4.3 million for provider pay in the 2024 Proposed Adjustments.

If there is proposed funding for human services provider pay in future years, whether through the Executive’s proposed budget or through a CBA, Council would need to impose provisos expressly reserving the funds for this purpose in order to activate the requirements found in this legislation.

Proposed Statement of Legislation Intent HSD-012S-A-2 requests a report from the Human Services Department on how the department will implement the requirements in this legislation.

2. CAPITAL IMPROVEMENT PROGRAM

Does this legislation create, fund, or amend a CIP Project? ___ Yes X 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 X 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?

This legislation would increase contract monitoring and reporting responsibilities for HSD staff, which could potentially impact the staff resources needed for HSD to fulfill these functions. HSD will need to monitor contracts to ensure that money appropriated for provider pay is used to increase human services worker wages and that such increases are in addition to inflationary adjustments. HSD will be required to submit a report to City Council annually

by June 30, covering the prior year’s contracts that were subject to the ordinance, including contracts administered by other departments. The report must provide information on the list of all organizations whose contracts included funding expressly reserved for human services provider pay, the amount of appropriated money provided in each contract, a list of organizations that declined the appropriated money, a narrative on how the appropriated much was used by providers, including which positions had wage increases due in part or whole to the appropriated money, a description of other fund sources contributing to human services worker wage increases and a description of any inflationary adjustment provided to staff, including if applicable the extent to which the inflationary adjustments provided under SMC 3.20.060 was used to pay for staff inflationary adjustments.

While DEEL and DON will also have the same monitoring and reporting requirements, the highest impact will be on HSD, who would administer approximately 200 contracts with funding for this purpose, as compared to one contract at DON and eight contracts at DEEL. Additionally, the legislation will require HSD to compile information on contracts subject to the legislation from all departments and submit one report annually to City Council. Additional resources may be requested in the future if HSD is unable to meet this requirement with existing resources.

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

Without this legislation, money appropriated for human services provider pay could be used for other purposes, such as inflationary adjustments, operating costs, or increased services. This legislation, including the contracting and reporting requirements, provide a way to monitor that contract increases for purposes of provider pay are being utilized as intended.

If there are no changes to appropriations, revenues, or positions, please delete sections 3.a., 3.b., and 3.c. and answer the questions in Section 4.

3.a. Appropriations

No This legislation adds, changes, or deletes appropriations.

Fund Name and Number	Dept	Budget Control Level Name/Number*	2023 Appropriation Change	2024 Estimated Appropriation Change
TOTAL				

*See budget book to obtain the appropriate Budget Control Level for your department.

Appropriations Notes:

3.b. Revenues/Reimbursements

No This legislation adds, changes, or deletes revenues or reimbursements.

Anticipated Revenue/Reimbursement Resulting from This Legislation:

Fund Name and Number	Dept	Revenue Source	2023 Revenue	2024 Estimated Revenue
TOTAL				

Revenue/Reimbursement Notes:

3.c. Positions

No This legislation adds, changes, or deletes positions.
Total Regular Positions Created, Modified, or Abrogated through This Legislation, Including FTE Impact:

Position # for Existing Positions	Position Title & Department*	Fund Name & Number	Program & BCL	PT/FT	2023 Positions	2023 FTE	Does it sunset? (If yes, explain below in Position Notes)
TOTAL							

* List each position separately.

Position Notes:

4. OTHER IMPLICATIONS

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

This legislation will impact any department that is administering a human services contract that includes appropriated money expressly reserved for the purpose of human services provider pay. In the 2024 Proposed Budget Adjustments and four CBAs related to provider pay, impacted departments are HSD, DEEL and DON.

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?**

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. This legislation would require that appropriations for wage equity be used to increase worker wages in addition to inflationary adjustments – helping to ensure that the monry appropriated for this purpose results in progress on wage equity, raising the wages and significantly benefiting workers of color and women who are overrepresented in this industry.

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)?**

N/A

Summary Attachments (if any):