

CITY OF SEATTLE

RESOLUTION _____

..title

A RESOLUTION concerning wage equity for non-profit human services workers; expressing the City Council’s intent to consider increasing funding for human services contracts to support achieving wage equity for human services workers; requesting the Human Services Department to submit a plan for addressing wage equity in the City’s human services contracting processes; requesting the Executive work with Council and funders to jointly address wage equity issues; and requesting information from the Executive to inform other wage equity increases.

..body

WHEREAS, the Human Services Department (HSD) connects people with resources and solutions during times of need; and

WHEREAS, HSD contracts with more than 170 community-based partners that work together to build the infrastructure to provide services that strengthen Seattle’s communities and reach the vision of a just and thriving society; and

WHEREAS, partnerships with community-based organizations allow HSD to serve thousands of vulnerable neighbors every year, including to prepare youth for success, support affordability and livability, support safe communities, address homelessness, promote public health, and promote healthy aging; and

WHEREAS, non-profit and government leaders connect low wages to problems with hiring and retaining employees to perform crucial human services work; and

WHEREAS, a March 2022 Issue Brief from the Seattle Human Services Coalition states that it is increasingly difficult for human services workers to live in our communities and stay in human services jobs due to low wages, resulting in high turnover, extreme difficulty in recruiting, additional recruitment and training costs, soaring costs in overtime, lost

1 productivity, and the disruption of relationships between providers and program
2 participants which are essential for successful outcomes; and

3 WHEREAS, the Draft Five Year Plan for the King County Regional Housing Authority
4 (Authority) states that an informal survey of the five largest homelessness services
5 providers revealed 300 vacant positions and that low wages paid to direct service staff is
6 believed to be one of the most substantial reasons for the vacancies; and

7 WHEREAS, the Authority's Draft Five Year Plan for the also states that providers frequently
8 reported that their inability to hire and retain staff was impacting their ability to spend
9 down contracted funds; and

10 WHEREAS, the Seattle Office of Housing reports that permanent supportive housing providers
11 are seeing much higher rates of unfilled positions compared to all industries at a national
12 and local level; and

13 WHEREAS, staffing shortages at non-profit organizations have been severe enough to restrict
14 the City's capacity to open new housing units, including those serving people exiting
15 homelessness; and

16 WHEREAS, in 2019, the City enacted Ordinance 125865 establishing Seattle Municipal Code
17 Section 3.20.060 to require annual inflationary adjustments for HSD-administered human
18 services contracts to reflect actual operating costs (including wages) because the City
19 found that human services agencies have challenges maintaining services due to
20 vacancies, turnover rates, low wages, and increasing costs; and

21 WHEREAS, in the 2022 Adopted Budget, Council included \$600,000 to HSD for a study
22 analyzing the comparable worth of human services jobs as compared to jobs in different
23 fields that require similar skills, education and difficulty; and

1 WHEREAS, HSD contracted with the University of Washington to conduct a Wage Equity
2 Study for non-profit human services workers; and

3 WHEREAS, beginning in August 2022 and continuing through February 2023, the University of
4 Washington project team met regularly with a steering committee convened by the
5 Seattle Human Services Coalition, which included City stakeholders, leaders of Seattle
6 and King County-based non-profit agencies that provide a range of human services, and
7 local and national policy experts; and

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

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

14 WHEREAS, the Wage Equity Study found that workers who leave the human services industry
15 for a job in a different industry see a net pay increase of seven percent a year later
16 (relative to workers who stay in human services) after accounting for observable worker
17 and employer characteristics; and

18 WHEREAS, the Wage Equity Study included a job evaluation that demonstrated that the gaps
19 revealed in the market analysis between human services workers and workers in other
20 industries do not reflect lower pay because human services work is easier, less skilled, or
21 less demanding than other jobs but rather, the pay is less despite the high level of skill,
22 responsibility, and difficulty of human services jobs; and

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

5 WHEREAS, the Wage Equity Study found that women are over-represented in the human
6 services industry, making up almost eighty percent of human services workers, and
7 Black/African American workers are almost three times as likely to work in human
8 services as they are to work in non-care industries; and

9 WHEREAS, the Wage Equity Study found that “penalties” exist regarding human services
10 wages in the following domains: gender, race, care, client power, and sectoral; and

11 WHEREAS, since 2022 the Seattle Human Services Coalition has convened a Wage Equity
12 Funding Roundtable with the goal of bringing public and private human services funders
13 and providers together to collaboratively chart a path toward wage equity and includes
14 representatives from HSD, King County Department of Community and Human Services,
15 large philanthropic organizations such as Ballmer Group, Gates Foundation, Seattle
16 Foundation and United Way and several small and midsize foundations; and

17 WHEREAS, King County’s Best Starts for Kids Levy is providing \$5 million per year through
18 2027 to fund a Childcare Workforce Demonstration Project to increase the wages for
19 1,400 low-wage childcare workers and study the impacts of these wage boosts; and

20 WHEREAS, King County’s proposed Veterans, Seniors, and Human Services Levy requires
21 that the implementation plan identify and describe the levy strategies to stabilize the
22 nonprofit regional health and human services workforce; and

23 WHEREAS, King County’s proposed Crisis Care Center (CCC) Levy has assumed operating

1 CCC staff wages would be funded at 20 percent above the current average staff wage at
2 King County’s only comparable crisis facility and also assumes an additional \$20 million
3 to invest in strategies such as subsidizing staff insurance costs, funding costs of
4 certifications, or subsidizing caregiver costs like childcare or eldercare for staff; and

5 WHEREAS, the Seattle Office of Housing released a \$25 million Request for Interest for 2023 to
6 pay for workforce stabilization, maintenance, and operating expenses in existing
7 permanent supportive housing buildings; and

8 WHEREAS, the proposed 2023 Seattle Housing Levy would include \$122 million
9 to pay for operating, maintenance and services expenses, including workforce
10 stabilization, in new and existing permanent supportive housing buildings and the
11 Executive has proposed \$282 million in Jumpstart Funding between 2024-2030 for the
12 same purpose;

13 WHEREAS, the 2024 Endorsed Budget includes appropriations of \$209 million to HSD for
14 human services contracts and reflects an inflationary adjustment of 6.7 percent; and

15 WHEREAS, approximately eighty to one hundred percent of HSD administered human services
16 contracts are for human services worker wages; and

17 WHEREAS, the Seattle City Council recognizes the following principles: when human services
18 workers are paid well below the market rate for jobs with similar worth or value it
19 becomes increasingly hard for such workers to live in Seattle’s communities and stay in
20 human services jobs; pay inequities contribute to high turnover rates that in turn disrupt
21 the relationships between human services workers and participants that are essential for
22 successful outcomes; and equitable pay helps maintain a stable workforce and ensure that
23 necessary services remain available to communities; NOW, THEREFORE,

1 **BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE THAT:**

2 Section 1. The Council acknowledges its inherent responsibility to make a meaningful
3 contribution towards achieving wage equity for non-profit human services workers, who perform
4 critical and essential work serving Seattle’s most vulnerable populations.

5 Section 2. The Council recognizes that there are both short-term and long-term
6 recommendations in the Wage Equity Study.

7 A. The short-term actions recommended to be achieved by 2025 are:

8 1. Non-profit human services organizations and their governmental and
9 non-governmental funders should increase human services workers’ wages by at least seven
10 percent beginning in the next one to two years. This amount represents a starting point for the
11 minimum increase needed immediately to reduce the number of workers leaving human services
12 posts for significantly higher-paying jobs in other industries.

13 2. Make wage adjustments for inflation separate from wage equity adjustments
14 and build-in future inflation adjustments.

15 3. Maintain or improve non-wage benefits and job characteristics
16 throughout the wage equity increase process.

17 4. Consider wage increases as a necessary part of ongoing racial and
18 gender equity work in the City and King County.

19 B. The long-term actions recommended to be achieved by 2030 are:

20 1. Substantially increase wages for non-profit human services workers to align
21 with those of workers doing comparable work in other sectors and industries.

22 2. Create a salary grade system and establish minimum pay standards based on
23 job characteristics.

1 3. Use public contracts to further wage equity.

2 Section 3. The Council recognizes that fully addressing the wage equity gap will take a
3 combined effort from all funders, including Seattle, King County, Washington State, the federal
4 government, and private philanthropy.

5 A. The Council requests that the Executive work collaboratively with Council to convene
6 public and private funders to develop strategies for addressing wage equity and submit
7 recommendations to the Council by September 26, 2023 for consideration during 2024 budget
8 deliberations.

9 B. The Council requests that the Executive work collaboratively with Council, external
10 partners, and other jurisdictions to focus workforce investments on increasing worker wages,
11 including those in the proposed Seattle Housing Levy, Crisis Care Center Levy and the Veterans,
12 Seniors, and Human Services Levy.

13 Section 4. The Council intends to consider recommendations to increase funding for
14 Human Services Department (HSD)-administered contracts covered under Seattle Municipal
15 Code (SMC) 3.20.060 by seven percent by 2025 for purposes of taking immediate action to
16 reduce the wage equity gap for non-profit human services workers.

17 Section 5. The Council may consider wage equity increases to HSD-administered
18 contracts in 2026 and beyond to make additional progress on achieving wage equity.

19 Section 6. The Council intends to consider wage equity increases to HSD-administered
20 contracts to be in addition to inflationary adjustments required under SMC 3.20.060.

21 Section 7. The Council may consider whether savings achieved from lower than
22 projected inflationary adjustments would be utilized to reduce the existing wage equity gap until
23 such wage equity gap is closed.

1 Section 8. The Council may consider additional actions for addressing the wage gap for
2 human services workers upon reviewing HSD’s response to Statement of Legislative Intent (SLI)
3 HSD-300-A-002-2003, which is due on June 20, 2023. This SLI requested HSD to report on the
4 impacts of the required annual inflationary adjustments under SMC 3.20.060, recommendations
5 for changes, if any, to regulations requiring annual inflationary adjustments, recommendations
6 for strategies to address the staffing shortage among human services providers; and
7 recommendations for potential funding sources to increase human services wages for workers.

8 Section 9. The Council intends that any increase to contracts administered by HSD would
9 be used for purposes of addressing wage equity. Therefore, the Council requests that HSD
10 develop a plan for incorporating wage equity into the evaluation of Requests for Proposals
11 received by HSD, executed contracts, reporting and annual contract monitoring.

12 A. The plan should endeavor to gather information on human services provider wages,
13 including the percentage of contracts that fund human services provider wages; identify options
14 for balancing wage equity and deliverables, as addressing wage equity may mean hiring fewer
15 staff at increased wages, which may impact deliverables.

16 B. In developing the plan, HSD should create a team of key partners, human services
17 providers and advocates that includes the Office of Housing, King County, Seattle Human
18 Services Coalition, Seattle/King County Coalition on Homelessness, and the King County
19 Regional Homelessness Authority.

20 C. The plan should include recommendations for legislation to ensure that contract
21 increases for wage equity and inflationary adjustments are used to increase the wages of non-
22 profit human services workers.

1 D. The Council requests that HSD submit the plan to the Council’s committee overseeing
2 human services by April 1, 2024.

3 Section 10. The Council understands that other City departments may administer human
4 services contracts and requests those departments to consider wage equity increases and
5 inflationary adjustments when renewing or renegotiating human services contracts. The Council
6 requests that the City Budget Office work in collaboration Central Staff, the Department of Early
7 Learning, Office of Labor Standards, Department of Neighborhoods, the Office of Immigrant
8 and Refugee Affairs and any other departments that administer human services contracts to:

9 A. Determine other contracts that meet the criteria for human services work, using SMC
10 3.20.050 as a starting point for determining the criteria for a human services contract;

11 B. Determine the total number and amount of those contracts; and

12 C. Submit a report with this information to the Council’s committee overseeing human
13 services by April 1, 2024.

14 Section 11. Council recognizes that given the current economic forecast that identifying
15 funding for wage equity increases may require other policy trade-offs.

1 Adopted by the City Council the _____ day of _____, 2023,
2 and signed by me in open session in authentication of its adoption this _____ day of
3 _____, 2023.

4 _____
5 President _____ of the City Council

6 The Mayor concurred the _____ day of _____, 2023.
7 _____
8 Bruce A. Harrell, Mayor

9 Filed by me this _____ day of _____, 2023.
10 _____
11 Elizabeth M. Adkisson, Interim City Clerk

12 (Seal)

13 Attachments (if any):