

## Summary and Fiscal Note

### 1. Legislation Summary

**Department:** Seattle Department of Human Resources

**Title:** An ordinance relating to City employment; correcting pay compression and inversion for certain non-represented classifications, and adjusting rates of pay for affected titles.

**Background:**

Pay compression occurs when the difference in pay between employees at different levels of a classification series (journey, senior, and supervisor) becomes too small to reflect differences in responsibility. Pay inversion occurs when a subordinate classification is paid more than a more senior or supervisory classification.

Seattle's 2023-2026 Coalition of City Unions (CCU) labor agreement increased pay rates for approximately 223 represented titles across the City. The City classification structure includes job series where journey titles are represented, but their senior or supervisor-level titles are not. As a result, some represented journey titles received pay increases while their non-represented senior and supervisory titles did not, leading to compression or inversion.

This legislation corrects issues of compression and inversion for five specific non-represented senior and supervisory titles. For detailed information, please refer to Attachment 1 in the Ordinance, which provides the tables for current and recommended pay.

The adjusted rates of pay are based on best practices for compensation, aiming to establish smaller pay differentials between journey and senior titles while maintaining larger differentials between senior and supervisory titles. Specifically, target differentials of 8% and 16% have been set, respectively.

These adjustments align with previous corrections made for non-represented titles related to the 2023-2026 CCU. Please note that actual differentials may vary slightly due to the City's specific compensation grade structure.

The effective date of the compensation adjustment is December 31, 2025.

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## 2. Capital Improvement Program (CIP)

**Does this legislation create, fund, or amend a CIP Project?**

- Yes  
 No

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## 3. Summary of Financial Implications

**Does this legislation have financial impacts to the City?**

- Yes  
 No

### 3d. Other Financial Impacts

**a. Does this legislation create any other financial impacts for The City of Seattle, such as direct or indirect costs, one-time or ongoing, that aren't mentioned above? If yes, please explain these impacts.**

This legislation affects 11 positions citywide (3 of which are temporary positions). As a result of this legislation, employees in the specified positions would have their pay moved to their current step on the updated salary range scale. The 2026 Adopted Budget included \$537K for pay compression and inversion corrections needed as a result of the 2023-2026 Coalition of City Unions (CCU) labor agreement for non-

represented supervisor and senior levels. The City Budget Office (CBO) has confirmed the pay adjustments for these 5 classifications can be implemented within the appropriated funding for this purpose.

**b. If the legislation has costs that can be covered within the current budget, explain how. Does the department have extra resources in its budget to handle these costs? Or does the department need to shift resources away from other work to handle these costs?**

The 2026 Adopted Budget includes specific and additional funding for this purpose. For those departments that indicated they did not need additional labor budget, these costs can be absorbed within their existing labor budget.

**c. What financial costs or other impacts might happen if this legislation is not implemented?**

Pay compression or inversion would still exist for the identified non-represented titles.

**d. How might this legislation affect other City departments besides the one that proposed it?**

This legislation provides pay corrections for specified classifications for positions in the Department of Finance and Administrative Services, Seattle Parks and Recreation, Seattle City Light, Seattle Public Utilities, and the Seattle Department of Transportation.

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#### 4. Other Impacts

**a. Does this legislation require a public hearing?**

Yes

No

**b. Does this legislation require a notice to be published in The Daily Journal of Commerce and/or The Seattle Times?**

Yes

No

**c. Does this legislation affect a piece of property? No.**

d. Race and Social Justice Initiative impacts:

**1. How does this legislation affect vulnerable or historically disadvantaged communities? How did you come to this conclusion? Please consider both impacts within City government (like employees and internal programs) and in the broader community.**

N/A

**2. Please attach any Racial Equity Toolkits or other racial equity analyses used to develop or assess this legislation.**

N/A

**3. What is the Language Access Plan for communicating with the public about this legislation?**

N/A

e. Climate change impacts:

**1. Emissions: Will this legislation significantly increase or decrease carbon emissions? Attach any studies or materials that inform your answer.**

N/A

**2. Resiliency: Will this legislation make Seattle more or less able to adapt to climate change? If it reduces resiliency, explain what can be done to lessen the impact.**

N/A

**f. If this legislation creates a new program or expands an existing one, what are the long-term, measurable goals? How will this legislation help achieve those goals? What methods will be used to track progress?**

N/A

**g. Does this legislation create a non-utility CIP that involves shared funding with a non-City partner or organization?**

No.

SDHR Compression-Inversion Correction SUM  
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