

Budget Hearing

HUMAN SERVICES DEPARTMENT

Select Budget Committee | October 12, 2023

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Budget Summary (\$ in 000s)

	2023 Adopted	2024 Endorsed	2024 Proposed	% Change 2024 Endorsed to 2024 Proposed
Appropriation Totals (Operating + Capital)				
Total Appropriations	\$319,126	\$318,976	\$334,071	4.7%
Total FTE	419.75	427.25	434.25	1.6%
Revenues				
General Fund (GF)	\$219,939	\$224,574	\$233,379	3.9%
Other Sources	\$99,186	\$94,401	\$100,691	6.7%
Total Revenue	\$319,126	\$318,976	\$334,071	4.7%

Human Services Contract Background

- Under [Seattle Municipal Code Section 3.20.060](#), contracts administered by the Human Services Department (HSD) must receive an annual inflationary adjustment equal to the annual growth in the Consumer Price Index Urban Wage Earners and Clerical Workers (CPI-W)

Budget	Inflationary Adjustment	Basis of Inflationary Adjustment
2023 Adopted	7.6%	Actual growth in CPI-W for the 12-month period ending in June 2022*
2024 Endorsed	6.7%	Based on projected growth in CPI-W for the 12-month period ending in June 2023*
2024 Proposed	7.5%	Actual growth in CPI-W for the 12-month period ending in June 2023

* The Mayor's 2023 and 2024 Proposed Budget included a flat 4% for both years and proposed amending the law to make that the maximum. Council rejected that proposal and fully funded the inflationary adjustment for both years.

- In June 2023, City Council approved [Resolution \(RES\) 32094](#), stating City Council's intent to consider a seven percent wage equity increase to contracts administered by HSD by 2025.

Issue Identification

1. **Provider Pay Increase for Purposes of Wage Equity**

Proposed use of \$4.6 million of JumpStart Payroll Expense Tax Revenue to provide a 2 percent increase to contracts administered by the Human Services Department (HSD), Department of Neighborhoods, and Department of Education and Early Learning for the purposes of increasing provider pay.

Options:

- A. Maintain \$4.2 million for provider pay but change fund source to ongoing General Fund (GF)
- B. Reduce funding for provider pay, to fund other priorities
- C. Increase funding for provider pay
- D. No change

Issue Identification

2. Continuum of Care (CoC) Inflationary Adjustments

There is an inconsistency in the 2023 Adopted budget between a 4% inflationary increase that was one-time and a 3.6% inflationary increase that was ongoing, which makes the Council's intent regarding inflationary increases for CoC contracts unclear.

Options:

- A. Reduce HSD's annual appropriation authority by \$623,000
- B. Add \$600,000 ongoing to sustain the inflationary adjustment that was provided in 2023
- C. Add \$1.9 million of ongoing funds in 2024 to sustain the 2023 increase and provide an inflationary adjustment of 7.5 percent in 2024 and make it ongoing.
- D. No change

Issue Identification

3. Potential one-time salary savings from HSD vacancies

HSD has 50 vacant positions, with 60% not yet in the interview process. There may be some one-time, general fund salary savings, although that is limited by the number of grant-funded positions at HSD.

Options:

- A. Reduce HSD Budget and use one-time salary savings for Council priorities.
- B. No change

Issue Identification

4. **\$916,000 for relocation of Rosie's Tiny House Village**

Sound Transit will only commit to a lease extension for Rosie's Village through May 2024. Sound Transit will be issuing a Request for Proposals to develop the site into low-income housing in Q4 2023. It is possible that the relocation could be delayed until 2025 but Sound Transit cannot commit to this until a developer is selected.

Options:

- A. Reduce proposed transfer of \$916,000 to HSD
- B. Adopt a SLI to request the Executive pursue discussions with Sound Transit to delay movement of Rosie's Village until 2025.
- C. No change

Issue Identification

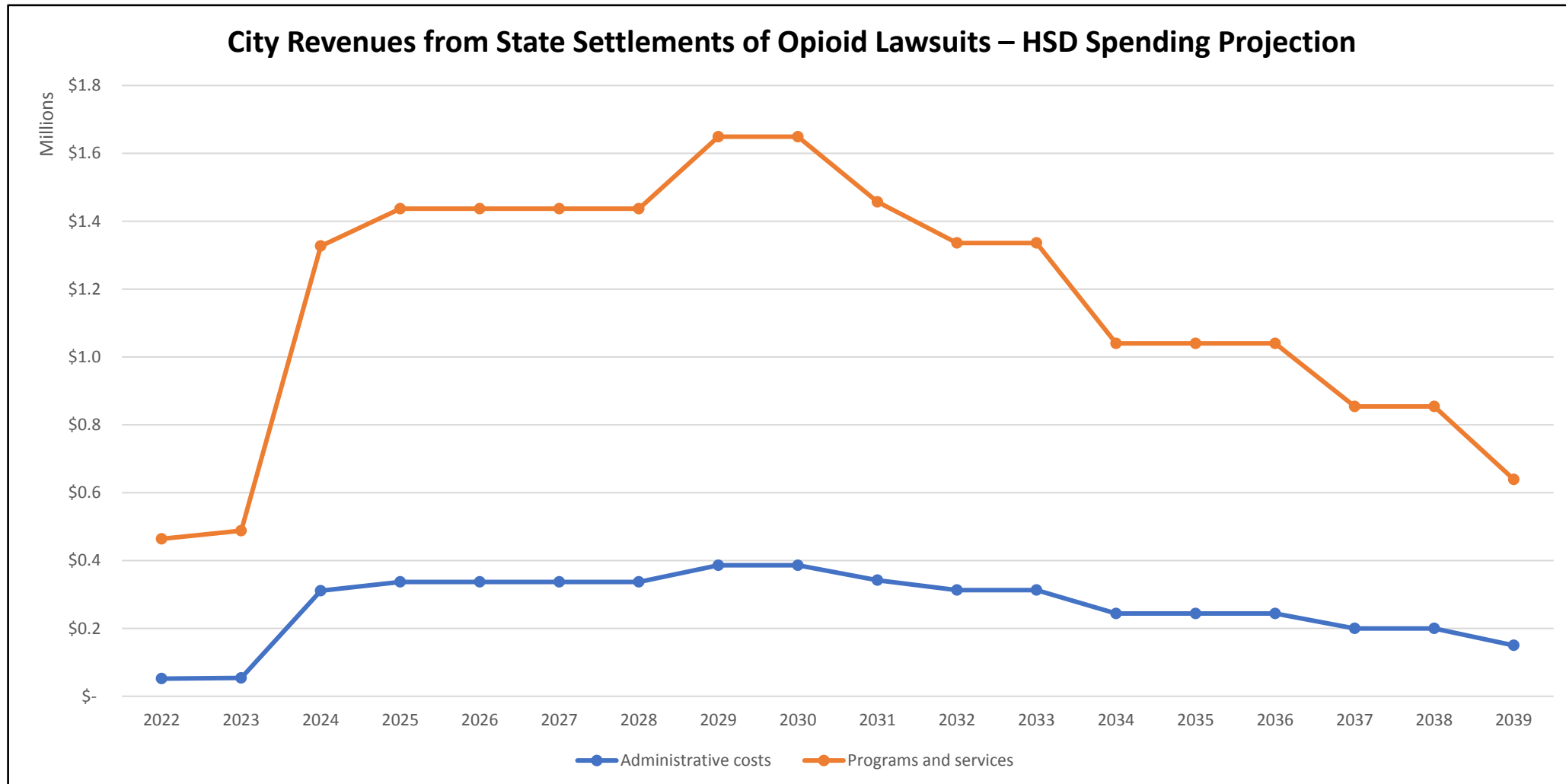
5. Recreational Vehicle (RV) storage program implementation

[SDOT-020-C-001-2023](#) provided \$1 million GF one-time in 2023 and 2024 for RV storage along with associated shelter costs for residents whose RVs had been placed in storage. The Executive has determined that RV storage is an allowable use under the land use code only if the storage site is directly adjacent to site a with non- congregate shelter. No sites for RV storage have yet been identified.

Options:

- A. Maintain \$1 million GF in 2023 and 2024 and impose a proviso to direct funding for another purpose supporting people experiencing homelessness
- B. Maintain \$1 million GF in 2023, reduce \$1 million in 2024 and use the one-time savings for Council priorities
- C. No change

Opioid Settlement Revenue Background



Issue Identification

6. City Revenues from State Settlements of Opioid Lawsuits

HSD's proposal for spending from this revenue includes:

- An ongoing investment in existing drug user health and harm reduction programs (\$470,000)
- An ongoing service expansion of Seattle Fire Department (SFD)'s Health 99 overdose-response program (\$325,000, 2.0 FTE)
- The one-time (\$582,000) and ongoing (\$516,000) operating costs for a future post-overdose stabilization facility
- Ongoing administrative costs (\$328,000, 2.0 FTE)

Options:

- A. Reprogram some or all settlement revenues not reserved for County-level administration
- B. Proviso facility funding, requiring Council approval of its operating and funding plans
- C. Reduce some position authority and funding for HSD administration
- D. No change

Issue Identification

7. Funding for Diversion Programs

[Ordinance 128696](#) establishes diversion and treatment, through the Let Everyone Advance with Dignity (LEAD) program, as the City's standard approach to most instances of knowing possession and public use of controlled substances. No funding is included to support projected increased referral volume to LEAD. Purpose. Dignity. Action. (PDA) has issued an RFP seeking LEAD case-management entities for its current caseload, which is funded in HSD's base budget.

Options:

- A. Create a SLI requesting that HSD develop a roster of case-management entities that could accept contracts to scale their work, responsive to PDA's current RFP process
- B. Create a SLI requesting that SPD report on incremental LEAD funding need due to ORD 128696
- C. No change

Contextual Issues

1. \$5.2 Million in One-Time Funding King County Regional Homelessness Authority (KCRHA) Funding

KCRHA identified sufficient 2023 underspend to continue funding sixteen programs in 2024 that have been paid for with one-time funds since 2020.

KCRHA analysis shows that had 2024 funding not been identified, there could have been a loss of approximately 300 shelter beds and the inability to prevent or end homelessness for more than 265 additional households.

Contextual Issues

2. Update on CBA HSD-035-C-001-2023: Unified Care Team System Navigators

2023 Proposed Budget added \$1.3 million and eight new positions to HSD as part of a proposed Unified Care team Expansion, including six new system navigators. [CBA HSD-035-C-001-2023](#) reduced the number of proposed system navigators from six to one and provided KCRHA with an additional \$1.2 million in 2023 and 2024. In September 2023, Executive reported to Council that HSD will retain \$812,000 to hire five Regional Coordinators and \$400,000 will remain with KCRHA, mainly to develop a system to track real-time shelter vacancies.

Contextual Issues

3. Expiration of \$2.5 million in one-time funding for Tiny House Villages (THV) that is paying for ongoing operating costs.

CBA HSD-032-B-001-2023 provided one-time funding in 2023 to the Low-Income Housing Institute (LIHI) for one-time maintenance costs (\$275,000) and ongoing operational needs (\$2.5 million), including behavioral health services, at eleven existing tiny home villages and one enhanced shelter with a total of 483 units.

Budget Legislation

1. Wage Equity Legislation

Council-generated legislation would require that any appropriation for wage equity be used to increase the wages of workers at contracted agencies, in addition to any increases for inflationary adjustments. Additionally, the legislation provides contracting and reporting requirements regarding the wage equity appropriation.

Options:

- A. Pass
- B. Amend and pass
- C. Do not pass

Budget Legislation

2. Opioid Proceed Settlement Fund

Would create a new fund for the accrual and disbursement of all revenues from opioid settlements, including any future settlements. A designated fund would increase the City's ability to provide oversight, monitoring, and reporting of its use of these revenues.

Options:

- A. Pass
- B. Amend and pass
- C. Do not pass

Questions?