



SEATTLE CITY COUNCIL  
**CENTRAL STAFF**

# Provider Pay Legislation

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JENNIFER LABRECQUE, ANALYST

SELECT BUDGET COMMITTEE

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# 2024 Proposed Provider Pay Actions

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- **2024 Proposed Budget Adjustments:**
  - \$4.3 million for a two percent increase to human services contracts for purposes of provider pay
- **Council Budget Actions**
  - HSD-809-A: Adds \$324,000 for additional costs related to inflation-adjusted human services provider pay and imposes three provisos
  - HSD-001-A: Adds \$360,000 GF to HSD for a two percent provider pay increase for Continuum of Care (CoC) contracts and imposes a proviso
  - HSD-002-A: Adds \$501,000 for 2024 homelessness service contracts funded through 2023 underspend, with \$112,000 of that for a two percent provider pay increase, and imposes a proviso

**Total proposed amount for provider pay in 2024 Budget = \$5.1 million**

# Provider Pay Legislation

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- Requires that any human services contracts that includes appropriated money expressly reserved for the purpose of human services provider pay be used only for wage increases for human services workers
- Requires that wage increases are in addition to any inflationary adjustments
- Establishes contracting and reporting requirements regarding use of such appropriated money
- Adds a new Chapter 20.61 and Section 20.61.010 to the Seattle Municipal Code (SMC)

# Provider Pay Legislation – Reporting Requirements

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Request an annual report by June 30 from HSD regarding the prior year's contracts that were subject to the legislation. The report must include:

- List of all organizations who accepted funding for human services provider pay and the amount contracted for that purpose
- List of organizations that declined the funding and why
- A narrative on how the funding was used by providers, including which positions had wage increases due in part or whole to the funding
- Description of other fund sources contributing to provider pay increases
- 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

# Provisos

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- HSD-809-A, HSD-001-A and HSD-002-A impose provisos restricting \$5.1 million in HSD's 2024 budget solely for provider pay increases in addition to inflationary adjustments
- The provisos are necessary to activate the provider pay legislation
- If there is funding for human services provider pay in future years' budgets, whether added by the Executive or Council, a proviso is necessary to activate the requirements found in this legislation

# Statement of Legislative Intent

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**HSD-12S-A requests that HSD submit a report with:**

- The process for implementing the requirements of the provider pay legislation in contract negotiations, monitoring and reporting
- The process for integrating wage equity into competitive applications for funding
- Recommendations on other strategies to evaluate provider pay funding that creates minimal administrative burden
- Recommendations for other departments on implementing the legislation and integrating wage equity into competitive application processes