



SEATTLE CITY COUNCIL
CENTRAL STAFF

Provider Pay Legislation

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SELECT BUDGET COMMITTEE

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2024 Proposed Provider Pay Actions

- **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

- 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

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

- 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

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