

April 8, 2024

MEMORANDUM

To: Government, Accountability, and Economic Development Committee
From: Karina Bull, Analyst, and Aly Pennucci, Deputy Director
Subject: Council Bill 120763: First Quarter 2024 Employment Ordinance

On April 11, 2024, the Government, Accountability, and Economic Development Committee will discuss and may vote on [Council Bill \(CB\) 120763](#), the First Quarter Employment Ordinance. The legislation would exempt one position from the civil service system and return two positions to the civil service system. This memo provides background information, a summary of CB 120763, and describes potential impacts.

Background

The Council authorizes certain City of Seattle (City) personnel actions (e.g., changes to civil service status for reclassified positions, creation of new job titles) through quarterly employment ordinances. In the First Quarter 2024 Employment Ordinance, the Council would authorize the Seattle Department of Human Resources (SDHR) Director to:

1. Return two positions to the civil service system, and
2. Exempt one position from the civil service system.

The [City Charter Article XVI, Section 3](#)¹ requires civil service membership for all City employees except for those in positions specifically exempted from civil service in the Charter and [Seattle Municipal Code \(SMC\) 4.13](#).² Approximately 90 percent of City employees are in the civil service.

Civil service provides a range of job protections for City employees, including merit-based hiring and promotions, opportunity for employees to correct performance issues, and “for cause” termination (i.e., termination based only on unsatisfactory job performance). In contrast, employees exempt from civil service may be appointed without a competitive hiring process and are subject to “at-will employment” (i.e., employment that may be terminated at any time for any reason not prohibited by law).

¹ The Charter exempts the following from civil service: elected officers, certain appointive offices, assistant city attorneys, heads of departments, members of boards and commissions, and job titles/positions exempted by legislation approved by two-thirds vote of the Council.

² SMC 4.13 exempts certain job titles in all employing units and specific positions from civil service. Examples of exempted job titles include temporary employees, interns, administrative secretaries, executives, office/maintenance aides, and exempt strategic advisors, managers, and information technology professionals. Examples of exempted positions include electric utility executives at Seattle City Light, administrative staff and executive assistants identified by position number, and all directors of offices in the Executive Department.

The SDHR Director has authority under [Personnel Rule 2.2](#) to review the duties and responsibilities of certain positions to determine whether such positions merit a return to civil service status or designation as exempt under SMC 4.13. The Director may only exempt the following types of positions:

- Positions requiring a particularly high degree of professional responsiveness and individual accountability;
- Positions requiring a confidential or fiduciary relationship with the appointing authority; or
- Judicial positions requiring insulation as a third branch of government.

The SDHR Director determines whether a change to a position's civil service status is warranted during a "classification review" performed by the Compensation/Classification unit.³ The Compensation/Classification unit performs classification reviews upon the request of a department, employee, or union representative (depending on the nature of review) when (1) a new position is created (e.g., after Council adds a position during a budget process), (2) a position's body of work gradually changes over a period of six months or longer, or (3) a department intends to change a position's body of work.

After completing the review, the Compensation/Classification unit issues a "classification determination report" with notice of the appropriate classification and, if applicable, the recommended change to civil service status. The Compensation/Classification unit completes classification reviews within SDHR's administrative authority⁴ and only transmits legislation for the small subset of determinations that require Council approval for changes to civil service status. In 2023, SDHR completed 568 requests for classification review, resulting in 246 classification changes – only seven of which required Council approval to change a position's civil service status.⁵

Note, the Council also has authority to introduce legislation that would change a position's civil service status.

³ A "classification" is a management tool that groups positions by similarities in duties, responsibilities, knowledge and skills, and ability requirements. Creating classifications helps the City plan, budget, recruit, and select employees, set compensation, and handle other personnel processes including promotions, transfers, and demotions.

⁴ See [City Charter XVI, Section 1](#), [SMC 4.04.040](#), and [SMC 4.04.130](#).

⁵ Of the 568 requests for classification review, 50% were for new positions added during the budget process (SDHR requires review of budget positions to ensure that the intended body of work matches the classification) and 50% of the requests were for existing positions.

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1. Return two positions to the civil service system.

The SDHR Director has determined that the body of work of two positions no longer meets the criteria for civil service exemption and recommends returning these positions to the civil service system. See Table 1 for information on these positions.

Table 1. Positions returned to civil service.

	Department	Initial Classification (Exempt)	Final Classification (Civil Service)	Vacancy Status
1	Office of Economic Development (OED)	Strategic Advisor 2, Exempt	Manager 2, General Government	Filled
2	Office of Inspector General (OIG)	Strategic Advisor 1, Exempt	Public Relations Specialist, Senior	Filled ⁶

- OED: Manager 2, General Government

The department requested a classification review of a position in the Community Wealth Building Division that is intended to develop and implement programs that seek to close the racial wealth gap and support historically displaced and excluded business owners; manage a team of four employees; and oversee a budget of \$10.8 million. After review, the SDHR Compensation/Classification unit recommended (a) reallocating the position to the Manager program due to its accountability for program outcomes through utilization of financial and human resources, and (b) returning the position to civil service because its primary functions (i.e., broadly facilitating and supporting general government services and operations) do not meet civil service exemption criteria.

- OIG: Public Relations Specialist, Senior

The department requested a classification review of a position that is intended to increase public awareness of the OIG's role in the City's police accountability system, developing materials (e.g., reports, presentations, newsletters) and presentations for the Office's leadership team, organizing outreach events, and responding to public requests for information. After review, the SDHR Compensation/Classification unit recommended (a) reallocating the position to a Public Relations, Senior position, and (b) returning the position to civil service because there was not sufficient nexus to sensitive and controversial information to meet civil service exemption criteria.

⁶ The OIG position was vacant at the time of SDHR's classification review, but the department filled the position in March 2024.

2. Exempt one position from the civil service system.

The SDHR Director has determined that the body of work of one position meets the criteria for civil service exemption and recommends exempting this position from the civil service system. The SDHR Director's recommendation for this exemption will only take effect upon approval by two-thirds vote of the Council. See Table 2 for information on this position.

Table 2. Position exempted from civil service.

	Department	Initial Classification (Civil Service)	Final Classification (Exempt)	Vacancy Status
1	City Attorney's Office (CAO)	Administrative Support Supervisor	Manager 1, Exempt	Filled

- CAO: Manager 1, Exempt

The incumbent requested a classification review due to a gradual increase in duties. The position is responsible for oversight of the Case Preparation program, managing up to seven Legal Assistant positions, assisting in developing the division's annual budget, representing the department in external meetings, providing training on legal support, and working with external organizations. After review, the SDHR Compensation / Classification unit recommended (a) placing the position in the Manager program and (b) designating the position as exempt from civil service status due to the broad exemption in SMC 4.13 for all positions in the CAO except for the Administrative Support and Accounting support classification series and a specific Strategic Advisor position.

Impacts of CB 120763

Financial Impacts

There are no direct costs associated with the recommended changes to civil service status. Any changes to compensation for incumbents or new hires in the reclassified positions covered by this legislation would be subject to the appointing authority (i.e., head of department) and do not relate directly to the Council's decision to approve the recommended civil service status. In this sense, the legislation does not have an immediate fiscal impact.

However, in the interest of fiscal transparency and focusing on long-term budget sustainability, Central Staff is highlighting the associated costs of the reclassified positions in this legislation. As mentioned above, the reclassified positions included in quarterly employment ordinances only include those that involve a change to civil service status, a small subset of position changes resulting from SDHR's administrative classification reviews.

The "actual costs" associated with the reclassifications in this legislation are \$3,403 based on (1) the difference between the mid-point salary and the new hire salary for a formerly vacant position in OIG that is now filled; and (2) the difference in the actual salaries for incumbents in the filled positions at OED and OIG. In this instance, the departments will absorb the costs (or cost savings) associated with the reclassifications within their existing budget authority. Based

on discussions with the City Budget Office (CBO), we do not anticipate requests to increase the departments' personnel budgets this year or in 2025 as a result of the administratively approved reclassifications that are associated with this legislation. Council Central Staff worked with the Seattle Human Resources Department (SDHR) and CBO to quantify these potential costs and CBO and SDHR have begun ongoing work to better detail these in future quarterly employment ordinances.

The projected potential fiscal impact associated with these reclassifications is \$24,715 based on the difference between the mid-point salaries of the initial and final classifications. At some point in the past, each department's personnel budget was calculated by summing the midpoint salary for each position in that department. Since that calculation is not automatically adjusted when a reclassification occurs the department's personnel budget will not reflect the difference between midpoint for the previous classification compared to the new classification unless the department requests and receives additional appropriation authority during the budget process. In practice, most departments absorb the costs of reclassifications, and this method typically allows flexibility for departments to use savings achieved from positions that are currently paid below the midpoint for the costs associated with reclassifications and for positions paid above the midpoint. However, the personnel costs for departments that experience high staff retention rates or multiple reclassifications will, over time, exceed the personnel budget calculated using the midpoint formula. With that in mind, Central Staff calculated the mid-point difference for each position in this legislation. From a long-term budget sustainability perspective, the projected costs of the mid-point difference illustrate how a new classification might increase (or decrease) costs in the future, even if the reclassification does not currently impact a department's budget. The table below shows the differences in the labor costs between the initial and final classifications.

Table 3. Associated labor costs of reclassifications.

	Department	Initial classification	Final classification	Actual cost difference	Mid-point cost difference
1	OED	Strategic Advisor 2, Exempt	Manager 2, General Government	\$10,440	n/a
2	OIG	Strategic Advisor 1, Exempt	Public Relations Specialist, Senior	(\$24,054)	(\$29,862)
3	CAO	Administrative Support Supervisor	Manager 1, Exempt	\$17,017	\$54,577
	Total			\$3,403	\$24,715

Racial Equity Impacts

Increasing the number of positions with civil service status supports the City's commitment to eliminating racial disparities and achieving workforce equity.⁷ The City's [2021 Workforce Equity Update](#) reports that Black, Indigenous, and People of Color (BIPOC), and especially BIPOC women, are underrepresented at the top levels (e.g., supervisors and high wage earners) of City employment when compared to the general population. Increasing the number of positions with civil service protections, especially those with opportunities for higher pay and/or additional benefits, could achieve more equity for BIPOC employees by requiring a competitive hiring process and removing the barriers that create risk and uncertainty for employees seeking career growth.

Exempting positions from civil service creates greater risk for employees. In recognition of these risks, SDHR has partnered with CBO and Finance Managers to prioritize civil service status for new positions and decrease the number of exemption requests.

Additionally, SDHR is initiating a comprehensive review of the Citywide Classification and Compensation program that will include examination of ways to ensure consistency and equity in the civil service exemption process and other initiatives to promote employee recruitment/retention and advance pay equity. SDHR's 2024 Adopted Budget includes \$1.13 million for the first phase of this multi-year project.

Next Steps

If the Committee votes to recommend approval of CB 120763 on April 11, the Council could consider the legislation on April 16, 2024. If the Council votes to approve CB 120763, the civil service status of the three positions covered by this legislation would change on the effective date of this ordinance.

Please contact me if you have questions about this legislation.

cc: Ben Noble, Director
Lish Whitson, Supervising Analyst

⁷ In the City's 2021 Workforce Equity Update Report, "workforce equity" is defined as (1) when the workforce is inclusive of people of color and other marginalized or under-represented groups at a rate representative of the greater Seattle area at all levels of government and (2) where institutional and structural barriers impacting employee attraction, selection, participation, and retention have been eliminated, enabling opportunity for employment success and career growth.