



## Legislation Details (With Text)

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<b>On agenda:</b>	6/20/2023				
<b>Final Action:</b>		<b>Ord. No.</b>			
<b>Title:</b>	A RESOLUTION concerning wage equity for non-profit human services workers; expressing the City Council's intent to consider increasing human services contracts to support wage equity in collaboration with other funders; and requesting information and action from the Executive to advance human services workers wage equity.				
<b>Sponsors:</b>	Lisa Herbold				
<b>Indexes:</b>					
<b>Attachments:</b>	1. Summary and Fiscal Note, 2. Central Staff Memo, 3. Presentation, 4. Updated Presentation (added; 6/13/23), 5. Updated Central Staff Memo (added; 6/13/23), 6. University of Washington Wage Equity Study (added 6/20/22), 7. Signed Resolution 32094, 8. Affidavit of Publication				

Date	Ver.	Action By	Action	Result
6/20/2023	1	City Clerk	attested by City Clerk	
6/20/2023	1	City Council	adopted	Pass
6/13/2023	1	Public Safety and Human Services Committee	adopt	Pass
6/6/2023	1	City Council	referred	
5/25/2023	1	Council President's Office	sent for review	
5/24/2023	1	City Clerk	sent for review	

## CITY OF SEATTLE

## RESOLUTION \_\_\_\_\_

A RESOLUTION concerning wage equity for non-profit human services workers; expressing the City Council's intent to consider increasing human services contracts to support wage equity in collaboration with other funders; and requesting information and action from the Executive to advance human services workers wage equity.

WHEREAS, the Human Services Department (HSD) connects people with resources and solutions during times of need; and

WHEREAS, HSD contracts with more than 170 community-based partners that work together to build the infrastructure to provide services that strengthen Seattle's communities and achieve the vision of a just and thriving society; and

WHEREAS, partnerships with community-based organizations allow HSD to serve thousands of vulnerable neighbors every year, including to prepare youth for success, support affordability and livability, support safe communities, address homelessness, promote public health, and promote healthy aging; and

WHEREAS, non-profit and government leaders connect low wages to problems with hiring and retaining employees to perform crucial human services work; and

WHEREAS, the Seattle Human Services Coalition (SHSC) states that it is increasingly difficult for human services workers to live in our communities and stay in human services jobs due to low wages, resulting in high turnover, extreme difficulty in recruiting, additional recruitment and training costs, soaring costs in overtime, lost productivity, and the disruption of relationships between providers and program participants which are essential for successful outcomes; and

WHEREAS, the Five Year Plan for the King County Regional Housing Authority (Authority) states that an informal survey of the five largest homelessness services providers revealed 300 vacant positions and that low wages paid to direct service staff are believed to be one of the most substantial reasons for the vacancies; and

WHEREAS, providers also reported to the Authority that recruitment and retention problems impact their ability to spend down contracted funds; and

WHEREAS, the Seattle Office of Housing reports that permanent supportive housing providers are seeing much higher rates of unfilled positions compared to all industries at a national and state level; and

WHEREAS, staffing shortages at non-profit organizations have been severe enough to restrict the City's capacity to open new housing units, including those serving people exiting homelessness; and

WHEREAS, in November 2015 the Mayor issued a Proclamation of Civil Emergency related to homelessness and the City must prioritize helping people experiencing homelessness to become housing-ready and moving them into temporary or permanent housing; and

WHEREAS, in 2019, the City enacted Ordinance 125865 establishing Seattle Municipal Code Section 3.20.060

to require annual inflationary adjustments for HSD-administered human services contracts to reflect actual operating costs (including wages), unless explicitly prohibited by or otherwise incompatible with requirements of the funding source, because the City found that human services agencies have challenges maintaining services due to vacancies, turnover rates, low wages, and increasing costs; and

WHEREAS, in the 2022 Adopted Budget, Council included \$600,000 to HSD for a study analyzing the comparable worth of human services jobs as compared to jobs in different fields that require similar skills, education and difficulty; and

WHEREAS, HSD contracted with the University of Washington to conduct a Wage Equity Study for non-profit human services workers; and

WHEREAS, beginning in August 2022 and continuing through February 2023, the University of Washington project team met regularly with a steering committee convened by the Seattle Human Services Coalition, which included City stakeholders, leaders of Seattle and King County-based non-profit agencies that provide a range of human services, and local and national policy experts; and

WHEREAS, the University of Washington published the Wage Equity Study in February 2023; and

WHEREAS, the Wage Equity Study found that holding constant worker characteristics such as education level or age, median annual pay for human services workers in the non-profit sector is 37 percent lower than in non-care industries; and closing a 37 percent wage equity gap would require a 59 percent increase in wages; and

WHEREAS, the Wage Equity Study found that workers who leave the human services industry for a job in a different industry see a net pay increase of seven percent a year later (relative to workers who stay in human services) after accounting for observable worker and employer characteristics; and

WHEREAS, the Wage Equity Study included a job evaluation that demonstrated that the gaps revealed in the market analysis between human services workers and workers in other industries do not reflect lower pay because human services work is easier, less skilled, or less demanding than other jobs; and

WHEREAS, the Wage Equity Study found that just under half (48 percent) of human services workers in King County were employed in the non-profit sector and much of this work is performed under contracts with local, county, and state governments to deliver services to residents; and

WHEREAS, the Wage Equity Study found that women are over-represented in the human services industry, making up almost 80 percent of human services workers, and Black/African American workers are almost three times as likely to work in human services as they are to work in non-care industries; and

WHEREAS, the Wage Equity Study found that today's human services workers face lower wages because industry wages have carried forward historic gender and racial discrimination, including discrimination associated with cultural devaluation of skills and commitments of people of color that shows up in lower wages; and

WHEREAS, since 2022 the SHSC has convened a Wage Equity Funding Roundtable with the goal of bringing public and private human services funders and providers together to collaboratively chart a path toward wage equity and includes representatives from HSD, King County Department of Community and Human Services, large philanthropic organizations such as Ballmer Group, Gates Foundation, Seattle Foundation and United Way and several small and midsize foundations; and

WHEREAS, King County's Best Starts for Kids Levy is providing \$5 million per year through 2027 to fund a Childcare Workforce Demonstration Project to increase the wages for 1,400 low-wage childcare workers and study the impacts of these wage boosts; and

WHEREAS, King County's proposed Veterans, Seniors, and Human Services Levy would require, if approved by King County voters, that the implementation plan identify and describe the levy strategies to stabilize the nonprofit regional health and human services workforce; and

WHEREAS, King County's Crisis Care Center (CCC) Levy has assumed operating CCC staff wages would be funded at 20 percent above the current average staff wage at King County's only comparable crisis facility and also assumes an additional \$20 million to invest in strategies such as subsidizing staff

insurance costs, funding costs of certifications, or subsidizing caregiver costs like childcare or eldercare for staff; and

WHEREAS, the Seattle Office of Housing released a \$25 million Request for Interest for 2023 to pay for workforce stabilization, maintenance, and operating expenses in existing permanent supportive housing buildings; and

WHEREAS, the proposed 2023 Seattle Housing Levy would, if approved by Seattle voters, include \$122 million to pay for operating, maintenance and services expenses, including workforce stabilization, in new and existing permanent supportive housing buildings and the Executive has proposed \$282 million in Jumpstart Funding between 2024-2030 for the same purpose; and

WHEREAS, the 2023-2025 State Operating Budget increased homeless service provider contracts by \$45 million, a 6.5 percent increase, and prioritized the funds for stabilization of the homeless service provider workforce; and

WHEREAS, the 2023-2025 State Operating Budget provided a 15 percent Medicaid rate increase for behavioral health providers to help address many of the state's current behavioral health workforce issues; and

WHEREAS, the 2024 Endorsed Budget includes appropriations of \$209 million to HSD for human services contracts and reflects an inflationary adjustment of 6.7 percent; and

WHEREAS, approximately 80 to 100 percent of HSD-administered human services contracts are for human services worker wages; and

WHEREAS, the Council recognizes the following principles: when human services workers are paid well below the market rate for jobs with similar worth or value it becomes increasingly hard for such workers to live in Seattle's communities and stay in human services jobs; pay inequities contribute to high turnover rates that in turn disrupt the relationships between human services workers and participants that are essential for successful outcomes; and equitable pay helps maintain a stable

workforce and ensure that necessary services remain available to communities; NOW, THEREFORE,

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE THAT:**

Section 1. The Council acknowledges its inherent responsibility to make a meaningful contribution towards achieving wage equity for non-profit human services workers, who perform critical and essential work serving Seattle's most vulnerable populations.

Section 2. The Council recognizes the short-term and long-term recommendations contained in the University of Washington's (UW) Wage Equity Study, without committing itself to all of them.

A. The Wage Equity Study recommends that by 2025 non-profit human services organizations and their governmental and non-governmental funders should increase human services workers' wages by at least seven percent beginning in the next one to two years. This amount represents a starting point for the minimum increase needed immediately to reduce the number of workers leaving human services posts for significantly higher-paying jobs in other industries. Additionally, these same entities should make adjustments for inflation separate from wage equity adjustments, build in future inflation adjustments, maintain or improve non-wage benefits and job characteristics throughout the wage equity increase process and consider wage increases as a necessary part of ongoing racial and gender equity work in the City and King County.

B. The Wage Equity Study recommended that by 2030 there be substantial wage increases for non-profit human services workers to align with those of workers doing comparable work in other sectors and industries, that a salary grade system and minimum pay standards based on job characteristics be established and that public contracts be used to further wage equity.

Section 3. The Council recognizes that fully addressing the wage equity gap will take a combined effort from all funders, including Seattle, King County, Washington State, the federal government, and private philanthropy.

A. The Council requests that the Executive continue to participate in the Seattle Human Services Coalition's convening of public and private funders to develop strategies for addressing wage equity across all

funding streams, with the goal of partner funders committing to wage equity goals by September 26, 2023, to assist Council's consideration of City funding contributions during 2024 budget deliberations, to the extent that sufficient revenues are available after considering revenue forecasts; and

B. The Council requests that the Executive work collaboratively with Council, external partners, and other jurisdictions to focus workforce investments on increasing worker wages, including those in the Crisis Care Center Levy, proposed Seattle Housing Levy, and proposed Veterans, Seniors, and Human Services Levy.

Section 4. The Council intends to consider recommendations to increase funding for contracts administered by the Human Services Department (HSD) by seven percent by 2025, including pass-through contracts to the King County Regional Homelessness Authority, for purposes of addressing the UW Wage Equity Study recommendation to take immediate action to reduce the wage equity gap for non-profit human services workers, to the extent sufficient revenues are available for this purpose.

Section 5. The Council may consider wage equity increases to HSD-administered contracts in 2026 and beyond to make additional progress on achieving wage equity.

Section 6. The Council intends to consider any wage equity increases to HSD-administered contracts to be in addition to inflationary adjustments required under Seattle Municipal Code (SMC) Section 3.20.060.

Section 7. The Council may consider additional actions for addressing the wage gap for human services workers upon reviewing HSD's response to Statement of Legislative Intent (SLI) HSD-300-A-002-2003, which is due on June 20, 2023. This SLI requested HSD to report on the impacts of the required annual inflationary adjustments under SMC 3.20.060, recommendations for changes, if any, to regulations requiring annual inflationary adjustments, recommendations for strategies to address the staffing shortage among human services providers; and recommendations for potential funding sources to increase human services wages for workers.

Section 8. The Council intends that any increase to contracts administered by HSD for purposes of wage equity would be used to increase worker wages. Therefore, the Council requests that HSD develop a plan for incorporating wage equity into the evaluation of Requests for Proposals received by HSD, executed contracts,

reporting and annual contract monitoring.

Section 9. The Council understands that other City departments may administer human services contracts and requests those departments to consider wage equity increases and inflationary adjustments when renewing or renegotiating human services contracts. The Council requests that the City Budget Office work in collaboration with Central Staff, the Department of Early Learning, the Office of Labor Standards, the Department of Neighborhoods, the Office of Immigrant and Refugee Affairs, and any other departments that administer human services contracts to:

- A. Determine other contracts that meet the criteria for human services work, using SMC 3.20.050 as a starting point for determining the criteria for a human services contract;
- B. Determine the total number and amount of those contracts; and
- C. Submit a report with this information to the Council's committee overseeing human services by April 1, 2024.

Section 10. The Council recognizes that given the current economic forecast identifying funding for wage equity increases may require other policy and spending trade-offs.

Adopted by the City Council the \_\_\_\_\_ day of \_\_\_\_\_, 2023, and signed by me in open session in authentication of its adoption this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

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President \_\_\_\_\_ of the City Council

Filed by me this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

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Anne Frantilla, Interim City Clerk

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