



Seattle Human Services Coalition

To: Seattle City Councilmembers

Re: **Phased Mitigation Plan for human services and the rising minimum wage**

Summary- This plan recommends three phases of mitigation which all must begin immediately to prevent cuts in services and will have varying timelines for impact.

ADVOCATE-	Long-term impact phase
OFFSET-	Short-term impact phase
ANALYZE-	Mid-term impact phase

The City of Seattle's actions to increase the minimum wage for the lowest wage workers in the city is a positive step forward for spreading prosperity in our city and is fully supported by the Seattle Human Services Coalition. At the same time, the ordinance increasing minimum wages is also playing a role in increasing the cost of providing community health and human services to Seattle residents who need help.

Raising the minimum wage fails as an equity policy if some low-income workers' wages increase while other low income, very vulnerable people lose critical services.

As the cost to provide human services increases with the increasing minimum wage, adjustments and improvements are needed in the City's mitigation response to prevent cuts in human services. **The members of SHSC recommend the Seattle City Council fund and implement a Phased Mitigation Plan.**

If we look ahead now and act on this multi-pronged strategy, we will be able to continue to provide a steady set of services to Seattle residents as long as they continue to be needed, with other funders and stakeholders moving to step up their commitment to meet the increased costs.

1) Convene and coordinate a collaborative advocacy effort

The Mayor and City Councilmembers expressed an interest in advocating to county, state, and federal fund sources, in collaboration with human service providers and other funders, to grow the resources from all the funding partners in order to pay the increased cost of service delivery to Seattle residents as the minimum wage increases.

An initial meeting was called by Deputy Mayor Kim in July of 2014 with private funders, representatives from human service providers active in Olympia, and City staffers from the Mayor's Office, Budget Office, and Office of Intergovernmental Relations. SHSC expressed a keen desire to be part of the advocacy process and also clearly stated that we did not have the capacity to coordinate the process. With that understood, the idea of a joint convening by the City and a private funder (Philanthropy Northwest was

raised) to move this collaborative effort forward was felt to be the best model. As far as we know this has not yet mobilized. We encourage the City to act on this strategy in order to encourage all the partners to step up to cover this cost in the longer run.

This collaborative partnership could also be used for a larger conversation on **building the capacity** of the system and individual organizations to provide the services needed by communities throughout the region.

Solution 1: ADVOCATE- Long Term Impact Phase

City immediately convenes, or co-convenes, the collaboration to advocate for increased resources from other funders to cover increased costs of providing services. If this begins now, there is the potential for impact as soon as 2017.

2) Cost Offset Fund for 2016

The City of Seattle currently has \$1.6 million set aside to mitigate the impact of increasing costs in 2016. This was designated to cover increased costs in the fraction of human services that are directly funded by the City (HSD, DEEL, OH, Parks, and other parts of the City that fund human services). With the lost opportunity for coordinated advocacy for growing the funding from other stakeholders in the past 18 months, the City's fund will have to be expanded to include all human services to Seattle residents in order to prevent cuts to human services needed by Seattle residents. Without additional revenue, service cuts are inevitable. The greatest impact would be on the most at-risk individuals in our community.

In the absence of a thorough study, the survey done by SHSC in January 2014 offers us the best estimate currently available for the impact. SHSC recommends a minimum of \$4million for mitigation in 2016 to prevent cuts. This means an additional allocation of \$2.4million is needed.

This mitigation process will not be without administrative challenges, but SHSC members stand ready to assist the City to create a fair, transparent, straightforward process. The good news is that if this is an overestimate, the funds will not be allocated, so no funds will be lost.

SOLUTION 2: MITIGATE- Immediate Impact Phase

City Council allocates an additional \$2.4million to the Cost Offset Fund created to mitigate the impact of the rising minimum wage in 2016 to those services directly funded via City contract and expands the application of these funds to all human services delivered to Seattle residents for 2016 in order to prevent cuts to those services.

3) Study costs of complying with the new law while maintaining service levels.

We all need to know what the costs will be, in 2016 and beyond, that result from the Minimum Wage law in order to maintain the human services Seattle residents are currently making use of. This information will be useful both as we advocate together to other funders and to mitigate costs to prevent cuts.

SOLUTION 3: ANALYZE- Mid-term Impact Phase

City Council instigates a more complete study of the impact of the rising minimum wage on all human services delivered to Seattle residents in order to understand the needed advocacy and mitigation to prevent cuts to services resulting from the rising minimum wage.

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