



April 19, 2023

RE: King County Regional Homelessness Authority 2024 Budget

Dear Members of the Governing Committee and the Implementation Board,

We write on behalf of our 60+ member organizations that provide housing, shelter, and homeless services across King County. We offer this letter as feedback on the King County Regional Homelessness Authority's 2024 Budget. We have organized our remarks in several key categories.

### **2023 Contract Delays and 2024 Re-procurement**

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It is critical to lead with the urgency of the moment. As the KCRHA begins discussions of their 2024 budget, many King County homelessness service providers are still without executed contracts for 2023. Nonprofit organizations are floating millions of dollars on behalf of the KCRHA due to contracts that have not been executed and contracts that have not been paid for months of work. This is the same situation that providers found themselves in last year.<sup>1</sup>

We fully recognize that negotiating and finalizing contracts can take time for an organization. However, given these ongoing challenges, we are deeply concerned with the KCRHA's intent to re-procure all current contracts in the immediate future. Doing so would be an immensely labor-intensive process – and one that would be high risk to undergo absent necessary infrastructure and capacity. Rebidding service contracts is necessary to ensure the best service delivery and should only be initiated once core functions for contracting are solidly in place at KCRHA.

### **Investment in Frontline Wages**

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There is nothing in this budget that addresses the need to ensure increased wages in this sector, or to keep up with inflation and rising costs to do this work. All service providers are struggling to meet the increased needs in our community, and to hire and retain diverse, skilled staff to do this essential work. Wages in this sector lag far behind comparable work and the vacancy and turnover rates are already undermining our ability to maintain current services, let alone add the capacity to serve our region. The recent Wage Equity Study completed by researchers at the University of Washington found that workers in this sector are paid 30% less than other care industries and 37% less than non-care

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<sup>1</sup> <https://www.seattletimes.com/seattle-news/homeless/king-county-regional-homelessness-authority-is-months-late-in-paying-nonprofits/>

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Seattle/King County Coalition on Homelessness mobilizes our community to challenge systemic causes of homelessness and advocate for housing justice.

industries with the same education and experience.<sup>2</sup> There has been no explicit recognition in any public meeting we are aware of that without budgeting to address these urgent fiscal requirements at a system level, homeless services will be reduced by virtue of economic imperative as the system rebid occurs. **KCRHA should use every opportunity to press for increased wages and appropriate contracts for this sector.** As part of governance, the IB and the GC should seek to approve a 2024 budget that will ensure quality services with no reduction in capacity. KCRHA should be working with all funding partners to secure dedicated revenue to support increases across all contracts. The current iteration of the KCRHA's 5-year plan, does not address livable wages for essential workers until years 3-5<sup>3</sup>. Our regional homelessness crisis response system requires investments beginning this year and continuing as necessary to ensure a strong and stable workforce.

## Integration of Federal Funds

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The proposed budget does not reflect a collective sense of urgency in terms of our region's unmet and increased demand for shelter, housing, and services. The pandemic has changed the way we operate shelters in this community. During the pandemic, this community improved crisis response through expanding shelter hours and increasing non-congregate shelter capacity using one-time COVID money. We have learned that this is a better way to provide shelter to keep people healthy and safe and provide better quality services. This capacity is now an integral part of our system and needs to remain in the budget to keep people safe, sheltered, and housed. Last year, providers didn't learn until the eleventh hour<sup>4</sup> that these funds were not ongoing. We ask that this funding be included, in full, in your 2024 budget to ensure there is no service stoppage.

## Medicaid Funding

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We believe the IB and GC need to better understand how feasible it is to anticipate capturing \$5.2 million in Medicaid funding for Partnership for Zero. Medicaid is an important funding source to serve people experiencing homelessness. Since the approval of the 1115 waiver in Washington, we know that many agencies and individuals have worked hard to implement this program. There have been and continue to be challenges with implementation due to infrastructure needs, staffing, and training. We ask that you gather additional information from King County providers that currently bill Medicaid to see if this is a realistic estimate for 2024.

Thank you for your consideration of these comments. We hope you will invite Coalition staff and members to share information and experience and answer any questions to assist you in carrying out your planning, oversight, and governance responsibilities for our community's regional homelessness system.

Sincerely,

Alison Eisinger Executive Director

Sara Robbins, Senior Policy Manager

Seattle/King County Coalition on Homelessness

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<sup>2</sup> University of Washington, School of Social Work, Wage Equity Study <https://socialwork.uw.edu/wageequitystudy>.

<sup>3</sup> Year 3-Year 5 KCRHA Five Year Plan Memorandum at page 16, 4/5/2023 "Establish liveable wage requirements in new Requests for Proposals (RFP) and contracts using findings from upcoming wage equity studies... Liveable wages will stabilize the front-line workforce which will allow for retaining more staff which will help more clients to maintain meaningful relationships with their case managers and other staff who are supporting their transition to permanent housing. Ultimately, this will increase exits to permanent housing, decrease returns, and increase throughput of the system."

<sup>4</sup> <https://www.seattletimes.com/seattle-news/politics/after-budget-mistake-homelessness-agency-seeks-help-from-seattle/>