

FISCAL NOTE FOR NON-CAPITAL PROJECTS

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Legislation Title:

AN ORDINANCE relating to City employment; adding a new section to Seattle Municipal Code Chapter 4.20 to provide a wage supplement and insurance benefits for employees who are mobilized by the United States Armed Forces for active military service.

Summary of the Legislation:

This legislation provides authority for the City to continue to provide certain benefits for employees who are called to active military duty and who have exhausted their annual paid military leave. These employees shall receive a wage supplement from the City so that their military income (if lower than their City salary) along with the supplement is equal to their base City salary. Such employees shall also continue to receive insurance coverage for their eligible dependents at the same level and under the same conditions as though the employees were in the City's employ. The authority for this legislation shall begin on January 1, 2015. Unlike previous legislation authorizing benefits for activated military employees, the legislation is not conditioned upon military activity in specific regions and does not expire.

Background:

The City has long supported its employees called to active military duty in the wake of military action resulting from the terrorist attacks on September 11, 2001 by providing for the extension of employee benefits and by providing for a wage supplement to ensure employees do not experience a loss of pay while they are on active military duty (as authorized by Ordinances 120682, 121058, 121369, 121692, 121885, 122418, 123506 and 124090). The most recent legislation, Ordinance 124090, provided for the extension of the wage supplement and insurance benefits through December 31, 2014, or when the United States Armed Forces withdraw from Afghanistan, whichever occurs first.

Employees have been and will continue to be called to active duty to support military action in Afghanistan and elsewhere. This legislation seeks to extend the authority to provide the wage supplement and insurance benefits to employees on an ongoing basis.

Please check one of the following:

☐ This legislation does not have any financial implications.

☒ This legislation has financial implications.

This legislation has financial implications, but does not request additional appropriation authority. From 2005 to mid-year of 2014, the City paid an average of nearly \$182,000 per year in military pay to City employees. While an employee is deployed under the conditions described in this ordinance, departments continue to pay the health care/insurance premiums through the annual health care bill regardless of whether the employee is working on site, or deployed. This cost is billed separately from the annual health care bill, and would result in an additional charge to departments for health care coverage for temporary workers.

Other Implications:

- a) **Does the legislation have indirect financial implications, or long-term implications?**

See above.

- b) **What is the financial cost of not implementing the legislation?**

None.

- c) **Does this legislation affect any departments besides the originating department?**

This legislation affects all departments who have employees mobilized for active duty.

- d) **What are the possible alternatives to the legislation that could achieve the same or similar objectives?**

None.

- e) **Is a public hearing required for this legislation?**

No.

- f) **Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**

No.

- g) **Does this legislation affect a piece of property?**

No.

- h) **Other Issues:** None

List attachments to the fiscal note below: None.