Community Based Organizations Statement on Proposition 1

Local nonprofits, including those providing childcare, daily youth programs, housing, meals and community services for vulnerable populations, have been asked what Olympia's Proposition 1 could mean for our operations. **While we are not taking a position on the measure, we believe residents deserve clear information about potential impacts.**

Based on our budgets and the requirements outlined in Proposition 1, the proposed changes would increase **annual operating costs anywhere from $100,000 to $400,000**, mostly through higher wages and related expenses. Because wages make up the majority of our costs, this level of increase **would likely require adjustments to program fees, membership dues, and/or staffing levels and services offered, in order for sustainability.**

Each organization remains committed to keeping services as accessible as possible, providing financial assistance where possible, and communicating any changes clearly and in advance.

Our shared goal is to help our community make an informed decision about a measure that will affect local families and the essential nonprofit services they rely on.

Impact on the YMCA

- YMCA wage expenses are projected to increase by over $320,000 in the first year, reflecting both higher minimum wages and adjustments to prevent wage compression.
- Because wages represent our largest expense, we will likely need to adjust:
  - Childcare fees
  - Membership dues
  - Staffing levels to manage costs

Our goal is to keep increases modest while sustaining our dedicated team and the programs families depend on.

Our Commitments:

- Communicate all changes and timelines clearly and in advance
- Continue offering financial assistance so every family has access
- Maintain high program quality, staff support, and community impact

Impact on the Hands On Children's Museum

We are not taking a position on Proposition 1. We believe we have a responsibility to consider the impacts to our families and our community. Our operational expenses, including wages, are projected to rise by more than $150,000 (wages, compression, and retirement contributions). Without "profit" to absorb the increases, we would have to consider staff adjustments and price increases.

Operational Impacts:

1. Higher local costs: We shop local to support Olympia businesses and anticipate price increases from the local vendors we rely on—food service, office and building supplies, IT support, and equipment rentals among many others.

2. Fewer teen opportunities: We are an important employer for "first job" workers in high school and college. Part-time teen jobs may decline as we prioritize staff with broader availability and experience to meet new requirements.

3. Less funding to support access: More than 130,000 of our 300,000 annual visitors receive support through free or reduced-fee admission programs, costing the Museum over $1 million each year. Higher costs may require reducing some of the 30 different access programs we offer and/or lowering the level of support.

Despite these challenges, Hands On remains committed to "Inspired Learning for All" and will continue to seek contributions and creative solutions to help ensure that all families can access its exhibits and programs, regardless of ability to pay.

Impact on the Boys & Girls Clubs of Thurston County

Boys & Girls Clubs of Thurston County is not taking a position on Proposition 1, but we believe it is important to share with the community the impact our organization will experience if Proposition 1 passes.

Projected Impacts of Proposition 1:

- Projected budget increase of $268,000 related to increases in wages, compression, retirement contributions.
- Up to $1150 annual increase in program fees, per child, which represents a 20% increase for critical services families rely on when they are working.
    - Membership
    - Before and After School Care
    - Full Day Summer Day Camp
    - Winter and Spring Break Camp
- Potential reduction in available fee waiver scholarships for families who need them most.

- 60% of Club families receive fee-reduction scholarships, many need multi-year payment plans.
- Nearly half of all Club families served are single-parent households.

- Potential reduction in local support as community members and businesses in Olympia are impacted by increases in operating costs, the amount cannot be determined at this point.
  - 65% of the Club's annual budget is fundraised through donations, events, and grants; only 35% comes from family fees.
  - $100,000 in grant funding was lost this fiscal year due to state budget cuts.

Boys & Girls Clubs of Thurston County remains committed to our mission: Inspiring and Enabling Youth to Realize their Greatness by providing safe, affordable, and high-quality programs for the nearly 1900 youth we serve across Thurston County, and we will continue to advocate for the necessary resources that allow our Clubs to be accessible to the families who rely on us.

Impact on the Thurston County Food Bank

The Thurston County Food Bank is not taking a position on Proposition 1. When asked what the impact would be on our organization, we are unsure. We already are facing major challenges as federal funding that supports food insecurity programs has been significantly cut. These cuts have increased demand for our services while reducing the resources to meet the increased need. Additional financial challenges could result in the food bank needing to:

- Reduce service days at our pantries
- Reduce satellite locations,
- Cut youth & senior programs
- Reduce allotments of foods

Impact on Senior Services for South Sound

Since 2020, we have invested heavily in raising wages for our staff in a sustainable and fiscally responsible way. We are proud of our employee retention and satisfaction.

Projected Impact of Proposition 1:

- We calculate that our wages and benefits will go up over $70,000 in 2026 and over $300,000 in 2028.
- Increased wages will not be covered by our contracts, and the donor community will be fatigued by every nonprofit facing the same challenges.
- We would be forced to undertake a difficult combination of reduced staffing and increased prices, hurting the older adult population that is least able to change their financial situations.

Our mission to improve the quality of life for people as they age will continue, and we ask whether our community understands and values the circumstances of fixed- and low-income seniors?

Impact on the Washington Center for the Performing Arts
The Washington Center strives to keep wages competitive within the nonprofit performing arts industry—even after being closed for 404 days during the pandemic and rebuilding much of our staff. We invest in staff development, offer retirement benefits, an employee assistance program, and support work-life balance with flexible scheduling. Many team members are represented by our two union contracts with IATSE Local 15, which were thoughtfully negotiated and reflect a balance between supporting our employees and maintaining a sustainable business model.

Projected Impacts of Proposition 1:

- $90,000+ potential annual increase in payroll costs (combination of wages, payroll taxes, wage compression, and retirement contributions)
- Higher ticket prices for ticket buyers and rental fees for local organizations
- Reduced organizational capacity to offer free or reduced-fee services and/or reinvest in programming or equipment
- Reduced sponsorship support from local restaurants and businesses
- Loss of flexible scheduling in an industry that doesn't run on fixed hours—curtain calls, improvisation, encore, technical delays, and creative needs make precise scheduling impracticable
- Increased costs for small organizations without HR and/or legal teams

This coincides with a time when we are already navigating rising payroll costs, higher thresholds for exempt employees, a new sales tax, increased touring costs, reduced grant funding, and tax law changes that may affect charitable giving. Despite these pressures, the Washington Center remains steadfast in our mission to inspire audiences and artists of all ages through live performance, enrich our community's vibrancy, and support more than a dozen local nonprofit artistic partners who make this region a wonderful place to live.

United Way of Thurston County
United Way of Thurston County is committed to identifying and eliminating the root causes of poverty, with a focus on the **ALICE** population — *Asset Limited, Income Constrained, Employed.* These are households that earn more than the federal poverty level but still fall short of meeting basic needs.

- Federal Poverty Level (FPL) for a family of four: $30,000 per year
- ALICE Survival Budget for a family of four with two children under the age of 5 in Thurston County: $116,000 per year
- Households below ALICE threshold: 33% of all local households

Even with proposed increases to the minimum wage, many working families will continue to fall short of this survival budget — highlighting that affordability challenges extend well beyond hourly pay.

Projected Impacts of Proposition 1:

Sector-Wide Effects:

- Significant increases in nonprofit operating and program costs.
- Reduced services and accessibility for vulnerable populations.
- Increased financial strain on already overextended nonprofit safety nets

Proposition 1 arrives at a time when nonprofit budgets are already under strain from:

- Rising operational costs and benefit expenses
- Tariffs and reduced public funding
- Economic instability

United Way of Thurston County believes that while Proposition 1 aims to help, it may instead harm the very people it intends to support.

- Washington's affordability crisis cannot be solved by minimum wage increases alone.
- Any wage gains will likely be offset by higher costs of living.
- Nonprofits will face additional financial burdens that limit their capacity to serve those most in need.
