



OFFICE OF THE
COUNTY ADMINISTRATOR

November 25, 2014

Matthew H. Hymel
COUNTY ADMINISTRATOR

Board of Supervisors
County of Marin
San Rafael, CA 94903

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Re: Merit Hearing Regarding Ordinance to Amend Marin County Code Section 2.50.050 – “Living Wage Rate,” and Section 2.50.200 – “Effective Date,” to Increase the Living Wage Rate to \$13.00 per Hour

RECOMMENDATION

1. Conduct a Public Hearing of the proposed Ordinance (attached).
2. Amend Marin County Code Section 2.50.050 – “Living Wage Rate,” and 2.50.200 – “Effective Date,” after considering comments received in the Public Hearing, if applicable, to increase the Living Wage Rate to \$13.00 per Hour

SUMMARY

On November 4, 2014, your Board held a first reading of a proposed ordinance to increase the Living Wage Rate to \$13.00 per hour. The current Living Wage Ordinance (LWO) rate is \$10.50 per hour with health benefits, and \$12.10 per hour without benefits. The Bay Area Consumer Price Index (CPI) is estimated to increase by 3.0% from October, 2013 to October, 2014; the precise change was not available at the time this report was finalized. Typically, we return to your Board to present options and associated fiscal impacts regarding a CPI increase, or to recommend that a COLA be withheld based upon financial conditions.

In October of this year, your Board gave direction to staff to approve a revised the LWO rate to \$13.00 per hour (without benefits) effective January 1, 2015 - or as soon thereafter as possible given that the State must approve new rates for In-Home Supportive Services (IHSS) providers. Maintaining the current \$1.60 per hour contribution toward health benefits will result in a revised LWO benefited rate of \$11.40 per hour next calendar year.

Staff returns to your Board at this time, after a first reading held November 4, 2014, with a second reading of an ordinance to proceed with implementation of the new LWO rates of \$13.00 per hour (non-benefited) and \$11.40 per hour (including benefits) effective January 1, 2015 or as soon thereafter as possible.

The estimated fiscal impact of a 3% COLA is approximately \$430,000 on an annualized basis, equating to a LWO rate increase from \$12.10 to \$12.45 per hour (non-benefited). Increasing the LWO rate to \$13.00 per hour represents an additional \$600,000, for a total fiscal impact of approximately \$1.0 million ongoing. Including County employee impacts of up to an additional \$50,000 ongoing, the total estimated fiscal impact of a LWO rate increase to \$13.00 per hour is approximately \$1.1 million per year (or \$550,000 in the current fiscal year, January 1 through June 30, 2015).

The FY 2014-15 Budget includes sufficient funding for a COLA. Consistent with direction from your Board's October 21, 2014 workshop, approximately \$650,000 in one-time reserves is available over the next 18 months to fund the incremental cost of increasing the LWO rate beyond the estimated COLA adjustment, including \$600,000 attributable to the IHSS program and an additional \$50,000 estimated for potential employee impacts. Ongoing costs will be reflected in the FY 2016-17 Proposed Budget.

With this change, IHSS Providers in Marin County will become the highest paid IHSS Providers in the State, summarized in the chart below:

Current IHSS Provider Rates (as of August, 2014)	
Comparison Counties	Current Hourly Wage
Marin*	\$13.00
Santa Clara County**	\$12.44
Santa Cruz	\$11.90
Sonoma	\$11.65
Napa	\$11.50
Monterey	\$11.50
San Mateo	\$11.50
Santa Barbara	\$11.05
San Luis Obispo	\$11.05

*Assuming your Board approves the recommended actions to a revised LWO rate of \$13.00 per hour (non-benefitted). Marin's current IHSS Provider rate is \$12.10 per hour.

**Santa Clara County is not typically included among Marin's "Comparison Counties," but is included here as the only California county paying more than Marin's current rate of \$12.10 per hour to IHSS Providers. A COLA adjustment for Santa Clara County's IHSS providers is anticipated February, 2015 - expected to result in \$13.00 per hour for Santa Clara County as well.

RECOMMENDATION

It is recommended that your Board conduct the Merit Hearing to increase the LWO rate to \$13.00 per hour (non-benefitted) and \$11.40 per hour (benefitted).

Staff will work to provide notice and implement the revised LWO rate effective January 1, 2015 – or as soon thereafter as practical given State requirements to approve rates for IHSS Providers.

If your Board should have any questions regarding the LWO or this report, please feel free to contact Dan Eilerman of my office at 473-6358, or you may contact me directly.

Sincerely,



Daniel Eilerman
Deputy County Administrator

Reviewed by,



Matthew H. Hymel
County Administrator