November 1, 2016

Board of Supervisors
County of Marin
San Rafael, CA 94903

Re: First Reading of Ordinance to Amend Marin County Code Section 2.50.050 — “Living Wage Rate,” and Section 2.50.200 — “Effective Date,” to allow automatic increases in the Living Wage Rate up to a rate of $15.00 per hour

RECOMMENDATION

1. Conduct First Reading of Ordinance to Amend Marin County Code Section 2.50.050 — “Living Wage Rate,” and Section 2.50.200 — “Effective Date,” to allow automatic increases in the Living Wage Rate up to a rate of $15.00 per hour; and

2. Set Merit Hearing on November 8, 2016 to Amend Ordinance.

SUMMARY

On October 18, 2016, your Board reviewed and accepted the Living Wage Ordinance Annual Report for FY 2015-16, which included a recommendation for a COLA adjustment for 2017. Staff will proceed to adjust the Living Wage rate for 2017 based upon the change to the Bay Area Consumer Price Index from October, 2015 to October, 2016 once it is known in mid-November.

The Annual Report also included a recommendation to amend the Living Wage Ordinance (LWO) to allow automatic annual CPI adjustments up to $15 per hour, after which the local IHSS program can merge with the statewide IHSS program so that State funding can be used to help pay for IHSS provider wage increases above $15 per hour. Subsequent adjustments would be consistent with State changes, or require amendments to the LWO.

In-Home Supportive Services (IHSS) Funding and the LWO

Our report to your Board on October 18 included an update regarding the fiscal impact of IHSS wage increases going forward given the State’s new legislated path to a $15 per hour State minimum wage by 2022 (per SB 3, signed into law in April). Even though the State has now committed to future increases in the State minimum wage through 2022, the State recently took the position that it will not pay for any wage or benefit increases for IHSS providers that are adopted ahead of its legislative schedule consistent with SB 3.

Based upon the State’s reimbursement policy, staff recommended to your Board that we proceed with a CPI adjustment for 2017, but also amend the LWO to allow automatic annual CPI adjustments to the Living Wage rate up to $15 per hour, after which subsequent adjustments would be consistent with State changes or require amendments to the LWO.

This policy change will allow for an increase to wages for IHSS providers consistent with change to the CPI, as the LWO is currently written, up to $15.00 per hour until the State minimum wage can “catch up” with local provider wages. This action to remain ahead of the State schedule will cost approximately $17 million over the next
15 years. Wage increases above $15 per hour would then be funded by the State going forward, consistent with other counties. The chart below illustrates the projected path of the recommended LWO action relative to the State minimum wage:

Amendments to Section 2.50.050 of the Living Wage Ordinance:
Consistent with your direction, we return to your Board at this time with a first reading of an ordinance to amend Section 2.50.050 "Living Wage Rate" to include revisions to allow automatic CPI increases up to $15 per hour. An amendment is also recommended to Section 2.50.200 "Effective Date" to clarify application of these changes effective January 1, 2017.

Proposed amendments are included in the attached proposed Ordinance for your consideration, including some minor "clean up" changes - for example to accurately reflect the new name of the union representing IHSS providers. Proposed amendments are reflected in "track-changes" format in the attached Ordinance; all other wording reflects the current LWO.

RECOMMENDATION
It is recommended that your Board conduct a First Reading of the Ordinance. If your Board agrees with the recommendation, we will set a Merit Hearing on November 8, 2016 to amend the Ordinance at the Merit Hearing.

Please let us know if you have any questions or concerns.

Sincerely,

Talia Smith
Management and Budget Analyst

Reviewed by,

Daniel Eilerman
Assistant County Administrator