

October 29, 2019

Matthew H. Hymel
COUNTY ADMINISTRATOR

Daniel Eilerman
ASSISTANT COUNTY
ADMINISTRATOR

Angela Nicholson
ASSISTANT COUNTY
ADMINISTRATOR

Marin County Civic Center
3501 Civic Center Drive
Suite 325
San Rafael, CA 94903
415 473 6358 T
415 473 4104 F
CRS Dial 711
www.marincounty.org/cao

Board of Supervisors
County of Marin
San Rafael, CA 94903

Re: Merit Hearing Regarding Ordinance Amending Marin County Code Section 2.50.050 - "Living Wage Rate," Allowing Wage Increases for In-Home Support Services Providers Contingent upon Continued 65 Percent State Share of Non-Federal Costs, and Adopting an April-to-April CPI Index

RECOMMENDATIONS

It is recommended that your Board:

1. Conduct a Merit Hearing of the proposed Ordinance (attached); and
2. Approve a 3.0% Cost of Living Adjustment (COLA) effective January 1, 2020 and establish an April-April CPI Index.

BACKGROUND

On October 15, 2019 your Board held a First Reading of an Ordinance to amend Marin County Code Section 2.50.050 - "Living Wage Rate," allowing wage increases for In-Home Support Services Providers contingent upon the continued 65 percent state share of non-federal costs, and also adopting an April-to-April CPI Index timeframe to better align with consideration of the annual Proposed Budget.

Today, we return to your Board with the Merit Hearing to adopt the recommended changes to the Living Wage Ordinance (LWO). Given the state's 2019 IHSS funding agreement, we are recommending a LWO rate increase effective January 1, 2020 to \$15.25 per hour (or 3.0 percent). This represents the maximum wage rate under which the state will continue to fund 65 percent of non-federal costs in the IHSS program with the final year of our initial three-year "10 percent option" utilization. IHSS providers have been the primary beneficiary of the LWO since its inception in 2002. This 45 cent per hour increase would result in added General Fund costs of approximately \$308,000 per year for IHSS providers, which also increases the County's IHSS MOE subject to the 4 percent MOE inflator. The recommended action will also afford a 3.0 percent increase to \$15.25 per hour (non-benefitted) and \$13.40 per hour (including benefits) for all LWO-eligible contracts or employees.

This recommendation requires a change to the LWO to amend Section 2.50.050 (c), allowing wage increases for IHSS providers above the current \$15.00 LWO hourly wage cap, contingent on continued 65 percent state participation in non-federal costs for IHSS provider wage and benefit increases. We anticipate this will be available for 2020, as well as for the following three years with utilization of the second "10 percent over three years" option for 2021-2023. We are also recommending a change in the annual CPI base from October-October to an April-April timeframe, which will enable more clarity for budget purposes regarding future COLA adjustments.

Should your Board adopt our recommendations, we will advise contract managers to ensure their eligible contractors comply with the new rates effective January 1, 2020. Because IHSS providers are paid by the state, and the state requires a 60-day wait period for approval and implementation, staff will work with the California Department of Social Services to implement the change as soon as possible, expected no later than February 1, 2020.

While the new IHSS funding agreement also requires a new MOU between the County, IHSS Public Authority and SEIU Local 2015, which represents providers, the IHSS Public Authority has been in touch with the union and will be considering a temporary addendum to accommodate the union's schedule for 2020 MOU negotiations.

Fiscal Impact

The fiscal impact of approving staff's recommendation to allow a 3.0 percent increase to the LWO wage rate effective January 1, 2020 equates to additional General Fund costs of approximately \$154,000 for the balance of FY 2019-20. Estimated annual or ongoing costs are approximately \$308,000.

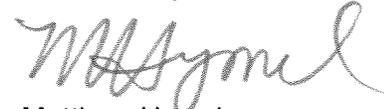
If your Board should have any questions, please feel free to contact us directly.

Sincerely,



Daniel Eilerman
Assistant County Administrator

Reviewed by,



Matthew Hymel
County Administrator