

December 5, 2006

Marin County Board of Supervisors
3501 Civic Center Drive
San Rafael, CA 94903

SUBJECT: Amend Marin County Code Section 2.50.050(b) and Section 2.50.200 of the Marin County Living Wage Ordinance to Adjust the Living Wage Rate by the Change in Bay Area CPI Effective January 1, 2007 and to Make Clarifying Changes to the Ordinance

Dear Supervisors:

RECOMMENDATION:

- Conduct First Reading of proposed Ordinance amending Marin County Code Section 2.50.050(b) and 2.50.200 of the Marin County Living Wage Ordinance (LWO) to increase the living wage rate by 2.48%, rounded to the nearest five cent increment, effective January 1, 2007, and to make clarifying changes to the Ordinance
- Set Merit Hearing on December 19, 2006 and Amend Ordinance at Merit Hearing

In 2006, your Board implemented a cost of living adjustment (COLA) component to the LWO to automatically adjust the living wage rate annually, beginning January 1, 2007, based upon change to the Consumer Price Index for all urban consumers in the San Francisco-Oakland-San Jose area (the "Bay Area CPI"), as published in October of each year by the U.S. Department of Labor, Bureau of Labor Statistics. This adjustment is required to be rounded to the nearest five cent increment. The Bay Area CPI change for the period was reported by the Bureau of Labor Statistics at 2.48%.

LWO wage rates effective January 1, 2007 will therefore increase to \$9.75 per hour with health benefits, and \$11.25 per hour without benefits. The living wage for In-Home Supportive Services (IHSS) providers will increase to \$9.20 per hour with benefits eligibility.¹ The chart below will summarize this impact:

New Marin County LWO Rates Effective January 1, 2007			
	With Benefits	W/Out Benefits	Benefit Rate
LWO Rate	\$9.75	\$11.25	\$1.50
IHSS Rate	\$9.20	N/A ¹	N/A ¹

¹ IHSS providers currently earn \$10.50 per hour per contract through June 30, 2007 and are eligible for health benefits. Benefit costs for IHSS providers are shared between federal, state and local governments.

Further, the County Administrator recommends two additional clarifying language changes to the LWO:

1. that future changes to the Bay Area CPI be automatically implemented effective every January 1st, and posted by the County Administrator on its website for the notice of all County departments, contractors and subcontractors, so that these changes will no longer require annual adoption of an ordinance to implement the adjusted rate; and
2. that language be added to clarify that, because In Home Supportive Services (IHSS) provider health benefits are governed by agreement between the In Home Supportive Services Public Authority of Marin and Service Employees International Union United Health Care Workers'-West, in consultation with the County of Marin, and because IHSS providers are eligible for health benefits as part of their wages in this agreement, the \$1.50 per hour health benefits allowance afforded by Section 2.50.050(b) of the ordinance is not applicable to IHSS providers.

These amendments are recommended at this time to formally incorporate the change in the Bay Area CPI to the Ordinance, as well as to clarify and ease administration of the Ordinance. Staff will continue to examine policy options to enhance the Living Wage Ordinance in the context of countywide priorities adopted for the FY 2007-08 budget process.

Should you have any questions, feel free to contact me or Dan Eilerman (x7364) of my staff.

Respectfully submitted,

Matthew H. Hymel
County Administrator