



County of Santa Cruz

HUMAN RESOURCES AGENCY

1000 EMELINE ST., SANTA CRUZ, CA 95060
(831) 454-4130 OR 454-4045 FAX: (831) 454-4642
CECILIA ESPINOLA, ADMINISTRATOR

August 2, 2001

Agenda: August 7, 2001

BOARD OF SUPERVISORS
County of Santa Cruz
701 Ocean Street
Santa Cruz, CA 95060

REPORT ON AUGMENTING CONTRACTS OF COMMUNITY AGENCIES TO BEGIN IMPLEMENTATION OF A LIVING WAGE PROGRAM

On June 26, 2001 during budget hearings, your Board approved an augmentation to the budget in the amount of \$384,109 for Community Programs and other nonprofit agency contractors to begin the implementation of a living wage program in the county. This effort was to be essentially based on the program enacted by the City of Santa Cruz. Specifically, you directed that the augmentation, which was equivalent to 4% for each contractor was to raise the wages of their lowest paid workers, and directed the HRA Administrator to return to your Board with proposed language to implement this intent. Your Board also directed staff to develop mechanisms to ensure the accountability and reporting on the use of these funds as intended. (See Minute Order: Attachment 1.) The purpose of this letter is to provide your Board with an update on the steps staff has taken to develop an implementation plan for the commencement of this new program, and to suggest further actions consistent with your Board's direction.

HRA staff, in consultation with the Health Services Agency, Department of Parks, Open Space and Cultural Services, and the Probation Department, has developed the proposed contract language to be used to ensure that these additional funds are allocated in accordance with the Board's direction. (Attachment 2). As you are aware, it is the intent of staff that a proposed enabling ordinance and/or resolution will be prepared by County Counsel, with input from the affected departments, on October 23, 2001.

Prior to the allocation of the 4% augmentation, it is necessary to contact each County Community Program and other non-profit agency contractor included in the Board's direction to collect information which ascertains salaries, benefits, union status, and other factors which would be relevant if the County established a program largely based

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on the City of Santa Cruz Program. Based on the data collected, staff would be in a position to determine with the agency how the supplemental funds would be used to further your Board's goals. In some instances augmenting salaries for County programs to the \$11 or \$12 per hour would be appropriate, in other instances applying the funds to provide benefits would be more appropriate. If, however, the agency is subject to an exception under the City's Program for status as a unionized employer, or if all wages are above the threshold levels, we would propose that those issues and other issues identified by staff, including the allocation of the special augmentation funds, be resolved in the context of the County's program to be determined in October.

As discussed in the earlier staff report on Living Wage, this phased approach would allow us to more expediently implement changes for agencies where the application of the City's approach would be straightforward and would defer action on more complex situations until October. It should be noted that all final recommendations for special augmentation funding will be effective July 1, 2001.

It is worth noting that on July 26, 2001, at the direction of your Board, HRA convened a Living Wage Work Group which is considering recommendations for inclusion of health and human service providers in the County's Living Wage program. The information gathered for allocation of the additional 4% will be made available to this group to assist in their study of the proposed Living Wage program.

IT IS THEREFORE RECOMMENDED that your Board:

1. Accept and file this report on the 4% augmentation approved by your Board in the budget hearings;
2. Adopt the proposed contract language for use in the current fiscal year; and
3. Direct the HRA and HSA Administrators and the County Parks Director to enter into amendments as provided in Attachment 2 and as discussed in this letter.

Very truly yours,

Cecilia Espinola (ES)

CECILIA ESPINOLA
Administrator

RECOMMENDED



Susan A. Mauriello
County Administrative Officer

cc: Human Care Alliance

ATTACHMENT 1

MINUTE ORDER - LAST DAY BUDGET ITEM

20. APPROVED one-time ~~supplemental~~ funding requests as outlined in the Letter and approved the following additional allocations: \$50,000 each for the three family resource centers; \$14,000 for ~~Defensa de Mujeres~~, \$5,000 for Adelante, \$8,000 for the Family Services Association of Pajaro Valley, \$14,000 for FENIX Services and \$4,000 for the YMCA Pajaro Valley

ABPWC

21. APPROVED the additional four percent COLA to community programs as provided as Attachment 1; ~~Directed~~ the Human Resources Agency Administrator to return on August 7, 2003, with **proposed** language to condition the receipt of the additional four percent COLA on raising the **wages** of their lowest paid workers and to include mechanisms to ensure accountability and reporting on this requirement: directed the County Administrative Officer to include \$700,000 in restricted contingencies for the future implementation of a Living Wage program, as recommended by the County Administrative Officer

WBPAC (with Supervisor Pirie abstaining as to the Senior Legal Services Grant only)

22. ACCEPTED AND FILED report on financing for the Family Resource Center (FRC) Links! program, as recommended by the Human Resources Agency Administrator

ABPWC

23. ALLOCATED an additional \$5,000 to the Santa Cruz Metropolitan Transit District toward the provision of shuttle services between the Homeless Services Center and the National Guard Armory during next winter's emergency shelter operation

APBWC

24. APPROVED Final Appropriation for fiscal year 2000-01 re-aligning data processing service appropriations and the Original Appropriation for fiscal year 2001-02 setting the initial alignment, as recommended by the Information Services Director

WABPC

25. DIRECTED the Parks, Open Space and Cultural Services Department, in collaboration with the Sheriff's Department, to return to the Board on or before December 4, 2001 with an analysis of the viability of creating a Santa Cruz County Park Ranger program

WBPAC

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ATTACHMENT 2

PROPOSED CONTRACT LANGUAGE

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Contract No.

AMENDMENT #1 TO _____ AGREEMENT

The County of Santa Cruz, by and through the _____ (Department) _____, hereinafter referred to as "COUNTY" and _____, hereinafter referred to as "CONTRACTOR" hereby amend contract number 01XXX which provides services from July 1, 2001 through June 30, 2002. The purpose of this amendment is to provide a special purpose budget augmentation and thereby to modify the total contract amount, budget, and reporting requirements. All other provisions of said contract shall remain the same.

A. Contract Payment Limit

The total contract payment limit as specified in paragraph _____ of the agreement between the COUNTY and CONTRACTOR is hereby increased by \$ _____ from \$ _____ to \$ _____ for the period of July 1, 2001 through June 30, 2002. This increase is a special purpose budget augmentation.

B. Purpose of the Special Purpose Budget Augmentation

It is the intent of the COUNTY to establish a Living Wage Program essentially based on the program established by the City of Santa Cruz. The main purpose of the Living Wage Program is to increase salaries and benefits paid to workers earning less than \$11.00 per hour with benefits, and/or workers earning \$12.00 per hour without benefits. The COUNTY AND CONTRACTOR hereby agree to allocate this special purpose budget augmentation in a manner generally consistent with the program authorized by the City of Santa Cruz and as more particularly described in Exhibit A, attached hereto and incorporated herein by reference to advance the goals of the Living Wage Program.

C. Reporting

CONTRACTOR shall report to the COUNTY on its utilization of this special purpose budget augmentation by submitting a completed report on a form provided by COUNTY on or before November 15, 2001.

Initials: _____ / _____

AMENDMENT #1 TO CONTRACT #

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AMENDMENT #1 TO CONTRACT #

SIGNATURE PAGE

COUNTY OF SANTA CRUZ

DATED: _____

By: _____
Department Administrator

CONTRACTOR

DATED: _____

By: _____
CONTRACTOR's Authorized Representative

Typed Name/Title

Organization

Address

City State Zip

Phone

Tax ID #

APPROVED AS TO FORM:

County Counsel

Distribution: (Department)
County Administrative Office
County Counsel
Auditor-Controller
Contractor

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AMENDMENT #1 TO CONTRACT

EXHIBIT A, PAGE 1

COUNTY OF SANTA CRUZ**Department:****Agency:****Program:****Changes to Contract Budget****1. Salaries:** The Salaries of the positions listed below are modified as shown:

Position Title	Previous Hourly Salary	New Hourly Salary	# Positions	Cost of Change
Subtotal of Changes to Salary	XXXXXX	XXXXXX		

2. Benefits: The benefits provided to Contractors employees are modified as follows:

Cost of Each Benefit Change:

Item

cost

\$ _____

Subtotal of Changes to Benefits \$ _____

AMENDMENT #1 TO CONTRACT

3. Other:

Cost of Each Change

_____	\$ _____
_____	\$ _____
_____	\$ _____
Subtotal Costs of Other	\$ _____

4. Total Cost of Special Purpose Augmentation (Note: This amount should equal the amount of the augmentation specified in paragraph A above)

Subtotal change to Salaries	\$ _____
Subtotal Change to Benefits	_____
Subtotal Other	_____
TOTAL	\$ _____

Initials: _____ / _____