

The Board of Supervisors has considered ways to increase wages for IHSS workers beyond the current \$9.65 per hour prior to the transfer of collective bargaining to State control effective July 1, 2015. However, many wage increase options are very costly, and are simply not within the County’s currently available budgetary resources.

As a compromise, structuring the IHSS provider wage increases to follow locally planned minimum wage increases may provide a way to increase IHSS workers’ wages at a lower cost to the County budget. County Counsel has evaluated the question of raising IHSS wages and the potential impact on the County budget, and found areas of legal uncertainty. While the ultimate impact on County cost is unclear, a potential exists that the County may avoid some cost increases if IHSS wages are raised after local jurisdictions raise their minimum wage rates.

In addition, structuring the IHSS wage increases to follow the planned local minimum wage hikes will defer the first IHSS wage increase to Fiscal Year 2016-17, thereby eliminating the budgetary impact for Fiscal Year 2015-16, and reducing the impact during each of the next two fiscal years. This cost decrease is outside any impact due to local minimum wage hikes.

This approach achieves an IHSS hourly wage of \$11.18 per hour, but it is more fiscally prudent than raising wages on a more aggressive basis. It also offers a potential

MOTION

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benefit, subject to legal verification, that the County's long term IHSS cost will be reduced by following the local minimum wage increases.

I THEREFORE MOVE THAT THE BOARD OF SUPERVISORS:

1. Instruct the Interim Chief Executive Officer (CEO) to allocate \$6.9 to \$11.9 million, as needed based on the impact of local minimum wages on the County's obligation, in the Department of Public Social Services (DPSS) fiscal year (FY) 2016-17 budget to allow the Personal Assistance Services Council (PASC) to negotiate, prior to June 30, 2015, an increase of In-Home Supportive Services (IHSS) provider wages from the \$10.00 per hour State minimum wage effective January 1, 2016, to \$10.50 per hour with a target effective date of September 1, 2016, subject to the contingency that such increase shall only take effect if approved by the State and if the State pays its customary 65% share of the nonfederal cost;
2. Instruct the Interim CEO to allocate \$17.7 to \$30.4 million, as needed based on the impact of local minimum wages on the County's obligation, in the DPSS FY 2017-18 budget to allow the PASC to negotiate, prior to June 30, 2015, a subsequent wage increase from \$10.50 to \$11.18 with a target effective date of September 1, 2017, subject to the contingency that such increase shall only take effect if approved by the State and if the State pays its customary 65% share of the nonfederal cost.

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