



Consideration of a Periodic Adjustment to the Living Wage Hourly Rate

October 15, 2024

Recommended Action

Consider options and provide direction to staff on a potential periodic adjustment to the Living Wage hourly rate and by what amount, to be effective July 1, 2025

Minimum Wage vs Living Wage

- Minimum wage is a general law regulating all employment in a covered jurisdiction and is the lowest allowable rate of pay per hour that can be paid to an employee.
- Living wage rates most commonly apply only as a condition of a government contract. Whether to have a living wage policy is at a jurisdiction's discretion.

LWO Amendments

Amendments approved in June 2024 include:

A) Automatically increasing the hourly rate annually (COLA) by the same percentage as the October CPI-U, with no specified cap, and;

B) Allowing for a periodic review and potential adjustment to hourly rate to be conducted at least every four years that is separate from and in addition to the automatic COLA increase.



Today's
discussion

Potential Impacts

- Community-based Organizations (CBO's)
- Sonoma County Fair & Exposition Inc. (Fair)
- Departments
- County employees

Options for Consideration

Effective date for all options is July 1, 2025

1. Increase rate based on CPI; no periodic adjustment. Estimated rate would be \$18.73
2. Staff recommendation: Increase to \$22.00, calculated using rates for Petaluma and Sebastopol and adding a 3.5% COLA; (2A: potential phase-in of 22% rate increase over multiple years)
3. Increase to \$23.40, calculated using Santa Cruz County's rate and adding a 3.5% COLA; (3A potential phase-in of 29% rate increase over multiple years)

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