SVCN!

Living Wage Presentation

October 2016

SVCN Living Wage Principles

Our nonprofit sector supports the concept of the Living Wage

Nonprofits deliver services in partnership with the County impacting youth, seniors, children and families providing housing, health, and basic human services etc.

Nonprofits need a phased-in approach to the living wage to allow us to build organizational capacity and salary structures to reach living wage standards

Recognition of the wage increase has a ripple impact to wages at various levels of our workforce

We request the County fund nonprofits covering the cost of implementing the living wage including annual Cost of Doing Business increases on County contracts and guarantee that no services are cut during the Living Wage process.

Lowest cost bids will not be the key criteria for awards of contract for organizations with excellent wage and benefit programs.

The County will advocate with nonprofits for funding that supports the living wage with key funders, i.e. the State of California, local municipalities and the philanthropic community as nonprofits are supported by blended funding streams.

SVCN Key Recommendations

Develop a Nonprofit Living Wage Ordinance

Full County Funding -No Service Cuts

Broaden and Clarify the Exemptions

Increase Flexibility on Wage Costs

- Expand Credit for Employee Benefits
- Health Care and Retirement

Consider Living Wage Phase-In

Nonprofit Living Wage Ordinance

The County should consider developing a companion ordinance - the Nonprofit Living Wage Ordinance

Issues that are nonprofit-specific and would take into account the unique partnership and contractual relationship the County has with their nonprofit contractors.

Ensure funding is available to fund nonprofit services at living wage levels at time of RFP.

- Ensure no cuts to service levels due to the living wage.
- Ensure adequate funding during the RFP will cover costs to pay a living wage.
- Address the impact of funding from state and federal sources that do not cover the living wage.
- Develop County led advocacy efforts with state and federal sources to increase rates to pay for the living wage.

Broaden and Clarify Exemptions

- For organizations with 20 or less employees, allow them to opt in or opt out of the nonprofit living wage,
- Hardship exemption for agencies with only **one** contract over $100K.
  - Few organizations provide only one service with one contract with that service being central to a County program.
- Exemptions may be granted to organizations for which there would be great fiscal impact to the entire organization due to living wage.

Increase Flexibility on Wage Costs

Consider wage credits for organizations that provide their staff with combinations of additional benefits above and beyond the silver plan or matching retirement

Allow nonprofits to gain wage credits

Beyond the Silver Plan

- Reward organizations that offer their staff health coverage above the required Silver Plan with $2 of wage credit for higher health plan coverage (e.g. Gold or Platinum Plan, dependent coverage).

Beyond Retirement

- 401 and 403B retirement plans are often not matched by nonprofit employers but In lieu, many nonprofits provide benefits other incentives for employees, such as more vacation, tuition reimbursement etc. and provide for $2 wage credit for benefits in lieu of retirement match

Develop a phased-in approach to reach living wage standards

- A multi year phase-in approach similar to San Francisco with CPI index to build capacity or nonprofits to fund all staff at living wages.
- Understand the ripple impact to organizational employee salary schedules will need to be adjusted for all staff not just staff funded by County contract funding and it will take time to raise funds to lift organizational budgets to meet the new salary and benefit requirements.
- Nonprofits as Fair Wage Employers will face fundraising challenges related to lifting the salaries of employees that are not funded by County grants.
- Most of these funds will need to come from additional private, foundation and individual fundraising as we will not be able to pass on increased costs on to the low income clients that we serve.