

August 27, 2013

MOTION BY SUPERVISOR MARK RIDLEY-THOMAS

Living Wage Report Back

The Los Angeles County Board of Supervisors (BOS) approved a Living Wage Ordinance in June 1999. The Living Wage Ordinance is applicable to contractors who provide services such as janitorial, landscaping and security to the County of Los Angeles (County).

At the time, the minimum wage was \$5.75 per hour, an amount insufficient to meet the basic needs of families in the Los Angeles region. Consequently, the failure of some County contractors to pay a "living wage" to their employees was placing additional financial burdens on the County by causing these employees to use social and health services that the County provides, resulting in a tax-payer subsidy for these private businesses.

The living wage has been raised only once since 1999. Seven years later, in 2006, the Board approved an increase to the current level of \$11.84 per hour without health benefits, or \$9.64, with health benefits valued at \$2.20 per hour. At this rate, a worker who works a 40-hour week without health benefits earns \$24,627.20 per year. A worker with health benefits valued at \$4,576.00, earns \$20,051.20 per year in wages.

After seven years since the sole increase in 2006, it is appropriate for the Board to evaluate the Living Wage Ordinance to determine whether the methodology for calculating the

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MOLINA _____

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living wage is appropriate to meet the basic subsistence needs of workers and their families in the Los Angeles region.

I THEREFORE MOVE THAT THE BOARD OF SUPERVISORS:

Direct the Chief Executive Officer, in consultation with the Auditor-Controller, to study and report back to the Board in thirty days on the impact of the following options:

1. Review the methodological options for a Living Wage Ordinance presented by the Chief Administrative Officer in his 2004 report to the Board and report back on the consequences the adoption of each would have had on wage rates and County budgets;
2. Identify what the current wage rate would be if annually adjusted for the cost of living within the Los Angeles metropolitan area using the Bureau of Labor Statistics; and
3. Development of a mechanism to make periodic adjustments to the Living Wage Ordinance to reflect changes in the cost of living.

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