





Date: September 22, 2017

To: Patrick H. West, City Manager 

From: John Gross, Director of Financial Management 

For: Mayor and Members of the City Council

Subject: **UPDATE ON MINIMUM WAGE EDUCATION/INFORMATION PROGRAM**

In a memo to the City Council dated January 27, 2017, staff described its plans to utilize City Council-approved one-time funding to develop a minimum wage education and information program. This memo provides an update regarding that program, including progress to date, and describes changes to how the allocated funds will be used to meet the program's goals.

Background

In the FY 17 budget, \$695,000 in one-time funds were identified for use by the Department of Financial Management for a minimum wage education and enforcement program. After the City Attorney opined that assisting with enforcement of State minimum wage provisions was not within the purview of the City, staff proposed an education and information program with \$595,000 in direct costs. This left \$100,000 in available one-time funds to address other City Council-approved priorities, which were redirected to fund the initial efforts of the campaign to educate the public about the risks and consequences of youth marijuana use.

The minimum wage education and information program proposed by staff, which is being implemented through the newly established Labor Compliance Division, includes the following components:

- Web page creation and maintenance
- Contracts and associated support/oversight for Community Based Organizations (CBO) to conduct targeted outreach and education
- Informational sheet development and dissemination
- Dedicated call-in number to provide information/referrals on minimum wage issues
- Presentations at local job forums, fairs, and conferences

Program Development

Since proposal of the program in January, the Department of Financial Management has completed the following:

- Staffed the Labor Compliance Division positions that will implement and oversee the program
- Developed and published a web page that includes minimum wage information as well as reference materials, links to relevant web pages, and contact information for support organizations

- Established and staffed a dedicated call-in number, advertised the number on the City’s website, and begun accepting calls to provide information and referrals on minimum wage issues
- Researched other entities’ CBO contracts in preparation for contracting with CBOs to conduct targeted outreach and education

Next steps include developing procurement documents to contract with CBOs, and identifying and conducting outreach to potential CBOs to publicize the procurement opportunity. Staff will be contacting each Council District to determine if there are relevant CBOs active in its district that should be included in procurement outreach. After CBOs are under contract, staff will focus on broad minimum wage outreach efforts to complement the work of the CBOs, including mailings and presentations to educate employers and job seekers about minimum wage requirements and wage theft issues.

Program Budget

The program budget of \$595,000 initially included \$300,000 for CBO contracts and associated support/oversight. The balance of \$295,000 was allocated to cover one-time mobile operations support/equipment, as well as annual costs over three years for materials development and distribution, outreach incidental costs, staff training, temporary staff, and overtime.

Staff recently re-evaluated the budgetary needs associated with the program and determined that, by reducing the use of contractual services and relying more on existing staff for certain aspects of the program, one-time and annual costs can be reduced to \$199,000. With this adjustment, an additional \$96,000 can be allocated to CBO contracts and associated support/oversight for a total of \$396,000. Staff estimates that staffing costs associated with program supervision and administrative support will total approximately \$107,000, bringing the total program costs to \$702,000.

Table: Updated Program Budget

CBO contracts and associated support/oversight	\$396,000
One-time mobile operations support/equipment	34,000
Annual costs (over 3 years)	
Materials development, printing, and mailing	21,000
Outreach incidental costs (event registration, travel, etc.)	15,000
Staff training	24,000
Temporary staff and overtime	105,000
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Total direct costs	\$595,000
Estimated staffing costs of supervision/administrative support	\$107,000
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Total cost of program	\$702,000

Additional Labor Compliance Priorities

In addition to the City’s focus on minimum wage education, there are other areas of labor compliance that are requiring increased City focus and resources based on new State laws

recently signed into effect. Staff will evaluate the impacts of these legal changes, determine associated costs, and get back to the City Council with more information.

Summary

Staff has developed a robust and proactive minimum wage education and information program to meet City Council's goals. That program includes broad outreach by City staff, as well as targeted outreach through CBOs. With program implementation underway, staff has been able to re-evaluate the program budget and identify additional funding that can be allocated to the CBO contracts and associated support/oversight. This will allow the City to ensure the program best reaches those areas of our community where wage information is most needed.

Staff will continue to implement the program and will report back to the City Council on future progress, as well as additional labor compliance priorities related to recent legal changes.

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