

City Council unanimously OKs 50-cent increase in 'living wage'

Living wage 3-28-02

By **DAN WHITE**

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One of the highest "living wages" in the nation got a boost when the City Council unanimously approved a 50-cent increase Tuesday night.

The wage will jump to \$11.50 on July 1 for workers with benefits, and to \$12.55 for employees without benefits. That is what certain private service contractors who do business with the city will have to pay their employees.

Members of the Coalition for a Living Wage said Tuesday's hike would not require more city funding because the city's living wage rules actually are directives for for-profit companies doing business with the city, with contracts worth at least \$10,000.

SANTA CRUZ The council passed a living-wage ordinance in 2000, responding to community advocates and council members who were concerned about rents and housing costs forcing workers out of town.

Language in Santa Cruz's ordinance requires the council to increase the wage annually, reflecting cost-of-living hikes.

The 4.6 percent increase corresponds to the increase in the cost of living for the San Francisco Bay Area.

Councilman Tim Fitzmaurice called the living wage a modest way "to create just a little bit of social justice." He said the private contractors, not the city, would bear the increase. He said most already pay close to the living-wage figure.

Only one contractor this year told the city it would have to charge more for its services because of living-wage costs.

Supporters said the new rate, while a step in the right direction, still falls short because of the county's sky-high cost of living.

"A true living wage for a parent of one child is now \$18 an hour," said Christine Johnson-Lyons, executive director of the Community Action Board of Santa Cruz County.

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CHRISTINE JOHNSON-LYONS,

COMMUNITY ACTION BOARD OF SANTA CRUZ COUNTY

The wage is not mandatory for nonprofit groups that contract with the city, but city leaders say the agencies should strive to pay it.

Last year, the city decided to provide financial incentives for them to do so, but then realized that would be prohibitively expensive.

Instead, the city decided to give about \$250,000 annually to social-service agencies, with \$192,000 aimed at upping the pay rate of child-care workers to the living wage.

Sandy Davie, administrative director for the Santa Cruz Toddler Center, said last year's incentive allowed her agency to raise starting pay from \$9 to \$11 an hour while allowing parity for longer-term employees already making \$11 an hour.

"Since we put in the living wage we haven't lost a teacher," she said. "Before that, there was so much turnover. It's still not enough to live in Santa Cruz for \$11.50 an hour, but it makes a difference, and it acknowledges the hard work we do is important."

At Tuesday's council meeting, Scott Kennedy, who supports the wage, said the city should be aware that living-wage programs do have unavoidable costs to cities.

He said if the city makes a long-term commitment to pay its temporary workers the living wage, and encourages nonprofits to do the same, these pay increases could be reflected in the city budget, and could lead to layoffs or service reductions unless city revenues go up.

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