

Living wage: Santa Cruz ordinance requires higher pay for city workers, contract employees

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runs its food pantry program, four truck drivers earn less than \$11 an hour, but only two would be eligible for city assistance in raising the wage.

And in Aptos, Ramero Martinez earns less than \$11 per hour as a staff member at Food and Nutrition Services and is hoping that the living wage will apply to him.

"I have two jobs and I have for a year," Martinez said. "Many of us here are concerned because it's so expensive to live here. But there are also concerns for the organization, like whether it's fair to hire a teacher without a bachelor's degree for \$11.50 per hour and then pay a teacher's aide \$11 per hour."

Aside from raising the wage for city workers from about \$7 for the city's lowest-paid employees to \$11 per hour, the law also requires for-profit contractors to pay their employees that wage, and requires social service groups that receive more than \$10,000 to do the same.

Part of the city's task now is to assuage the fears of contractors who may be afraid they have to raise their wages by the time the ordinance goes into effect Nov. 22. Vice Mayor Tim Fitzmaurice, who sat on the city subcommittee to craft the new ordinance, said only permanent city employees who now earn less than \$11 per hour — one job category containing about six people — will have their salaries raised Nov. 22.

Service contractors, which do jobs like janitorial and security work, would have to raise the salaries of only the employees who work on city jobs, and only when they bid on a new contract or their contract comes up for renewal.

Social service groups, of which the city funds about 100, would have to comply by the beginning of the next fiscal year, which starts July 1. And then, only employees who are funded under city grants would have to be paid the \$11 per hour. But before any

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of that, social service groups will be asked to join a Living Wage Advisory Committee that will allocate funds and monitor city contractors to ensure they've raised their employees' wages.

The Coalition for a Living Wage estimates that the new law will eventually affect city employees, about 200 social service workers and about 100 for-profit service contractors.

Ron Bird, chief economist for the Employment Policy Foundation in Washington, D.C., said living wages don't adequately address the economic needs of the community because they never cover very many people. And he said such policies can be detrimental to a city's financial well-being, by increasing the cost of services. He

also said that large companies that derive their money from many sources are more likely to drop city contracts as a result of such ordinances than smaller companies are.

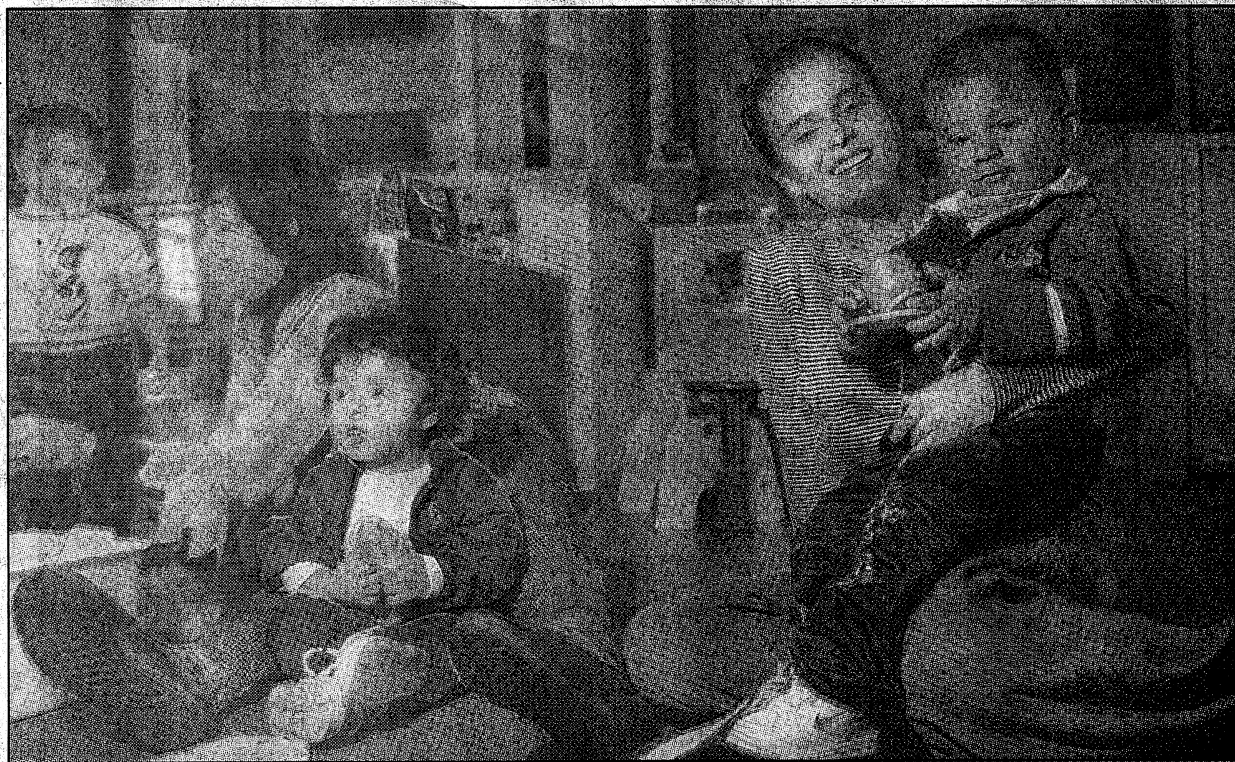
"Often such policies result in fewer bidders and higher prices," he said. "These kinds of policies are designed to redistribute money and that money has to come from somewhere. Usually it comes from the city budget."

But a series of studies conducted in cities that have passed living wage ordinances in the last six years, compiled by the ACORN Living Wage Resource Center in Washington D.C., shows that the cost of city contracts went down a year after the ordinance passed. A follow-up study in 1999 showed that, while the aggregate cost of contracts declined, they did increase for labor-heavy jobs like janitorial work. A study of San Jose's living wage ordinance in 1999 found that no contractors had been unwilling to make bids as a result of the new ordinance and that no small businesses had been adversely affected.

Social service workers say one of the problems they'll have to deal with is morale among staff members, who may get different salaries depending on whether their jobs are covered by city funds. Yolanda Goda, executive director of the Familia Center, said a recent study of their wages shows that the group would have to receive \$25,000 more to raise the wages of its eight employees to about \$11 per hour. That's almost as much as the nearly \$30,000 they received from the city for the current fiscal year.

"It's very important that we don't bump one person above another person who has been here longer," she said. "That's why we're hoping that this kind of funding becomes a priority county-wide. We know the city can't foot the bill for all of this. I'll say this. They have a pretty hard job ahead of them."

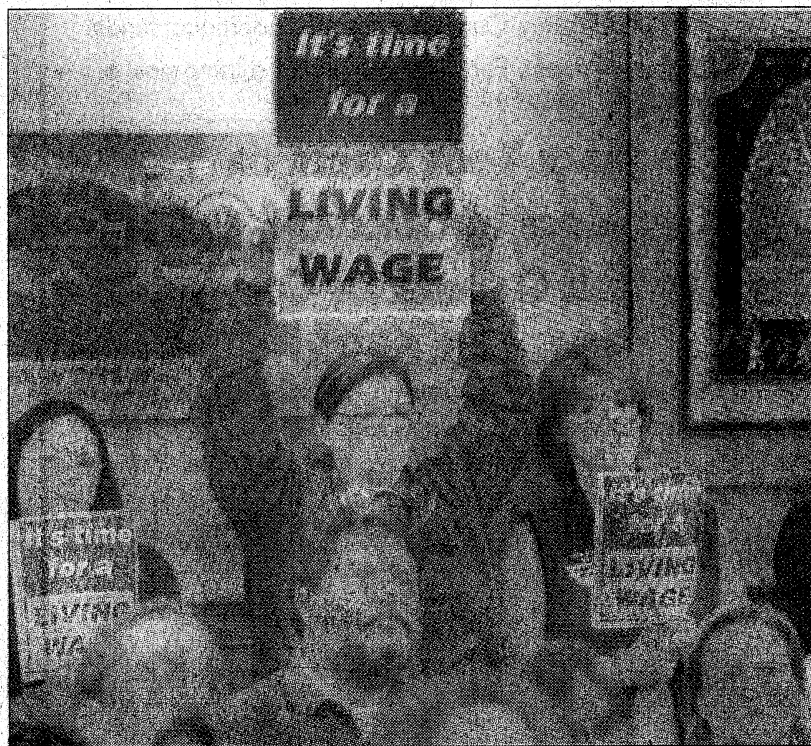
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Bill Lovejoy/Sentinel

Child-care workers Tony Villagran and Norma Cobos at the infant-toddler program run by the Walnut Avenue Women's Center hope to be included in the new living wage ordinance, above.

At left, supporters of the living-wage measure filled the Santa Cruz City Council Chamber during discussions Tuesday night.



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