



A Tradition of Stewardship  
A Commitment to Service

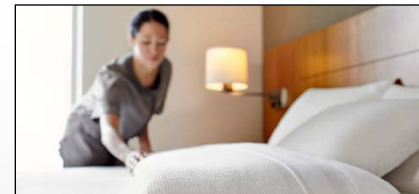


Staff Report/ Economic Study  
April 5, 2016

Housing & Intergovernmental Affairs  
Health & Human Services  
Napa-Lake Workforce Investment Board

# NAPA COUNTY

## *Considering a minimum wage policy*





A Tradition of Stewardship  
A Commitment to Service

# NAPA COUNTY – SB 3 Wage Schedule Comparison

Scenario	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>1</b>	\$10.00	\$10.50	\$11.03	\$11.58	\$12.16	\$12.76	\$13.40	\$14.07	\$14.77
<b>2</b>	\$10.00	\$11.00	\$12.00	\$12.60	\$13.23	\$13.89	\$14.59	\$15.00	CPI
<b>3</b>	\$10.00	\$12.00	\$12.60	\$13.23	\$13.89	\$14.59	\$15.00	CPI	CPI
<b>CA 1</b>	\$10.00	\$10.50	\$11.00	\$12.00	\$13.00	\$14.00	\$15.00	CPI	CPI
<b>CA 2</b>	\$10.00	\$10.00	\$10.50	\$11.00	\$12.00	\$13.00	\$14.00	\$15.00	CPI

- **January 1, 2017** – Scenario 2 increases current \$10 State minimum wage by 10 percent or \$1; SB 3 increases by 5% or 50 cents
  - **January 1, 2018** – Scenario 2 increases by \$1, then tied to 5% increases; CA 1 tied to \$1 increases
  - **January 1, 2021** – first year that State wage (CA 1) is higher than Scenario 2 (by 11 cents); from that point on, State wage is higher
  - **January 1, 2022** – State (CA1) first to hit \$15
  - **January 1, 2023** – Both Scenario 2 and State wage (CA 2) for small businesses hit \$15 at same time; many small businesses in Napa with 25 or fewer workers
- **Scenario 2** has higher wage for four years (2017, 2018, 2019, 2020)
  - **State CA 1** has higher wage for three years (2021, 2022, plus earlier peg to CPI)



A Tradition of Stewardship  
A Commitment to Service

# NAPA COUNTY – SB 3 Wage Policy Comparison

## **Scenario 2:**

- Immediate/higher increase in first two years, then tied to 5% increases; higher than SB 3 for first four years
- Covers only unincorporated area
- Only one wage schedule for large and small businesses
- No brake mechanism if economy falters or excessive disruption/hardship for business

## **Senate Bill 3:**

- Slower increase in first year, then tied to \$1 increases; higher than Scenario 2 in 2021 and beyond
- Covers entire State
- Two wage schedules – same increases, but one year lag for small businesses
- Wage increases may be suspended by governor “based on certain determinations”

<b>Minimum Wage effect on cost of IHSS Wages</b>				<b>Share of IHSS cost</b>		
				Fed %	50%	
Annual Paid Provider Hours		1,500,000		State	50% -County Maintenance of Effort (MOE)	
Current Hourly Wage/State Limit		\$ 12.10		County	MOE (Currently \$2.8 m)	
<u>Wage Schedules</u>		<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Scenario	1	11.03	11.58	12.16	12.76	13.40
Scenario	2	12.00	12.60	13.23	13.89	14.59
Scenario	3	12.60	13.23	13.89	14.59	15.00
State Bill		11.00	12.00	13.00	14.00	15.00
<u>Above \$12.10</u>						
Scenario	1					
Scenario	2		0.50	1.13	1.79	2.49
Scenario	3	0.50	1.13	1.79	2.49	2.90
State Bill				0.90	1.90	2.90
<u>Increase Minus State Bill actions</u>						
Scenario	1					
Scenario	2		0.50	0.23		
Scenario	3	0.50	1.13	0.89	0.59	
State Bill						
<u>Annual cost increase (split btwn County and Feds)</u>						
Scenario	1					
Scenario	2		750,000.00	345,000.00		
Scenario	3	750,000.00	1,695,000.00	1,335,000.00	885,000.00	
State Bill						
<u>Annual cost increase to County in IHSS wages</u>						<u>Total all years</u>
Scenario	1					
Scenario	2		375,000.00	172,500.00		\$ 547,500.00
Scenario	3	375,000.00	847,500.00	667,500.00	442,500.00	\$ <u>2,332,500.00</u>