



BOARD OF SUPERVISORS
AGENDA LETTER

**Agenda
Number:**

**Clerk of the Board of
Supervisors**
105 E. Anapamu Street, Suite
407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Human Resources
Department No.: 064
For Agenda Of: December 13, 2016
Placement: Administrative
Estimated Tme:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Lori Gentles, Human Resources Director, 568-2816
Contact Info: Joseph Pisano, Employee Relations Manager, 568-2839

SUBJECT: *Establishing a Minimum Wage Job Classification for a
Department of Social Services Subsidized Employment Program*

County Counsel Concurrence

As to form: N/A

Other Concurrence:

As to form: N/A

Auditor-Controller Concurrence

As to form: N/A

Recommended Actions:

That the Board of Supervisors:

- a) Adopts the resolution in Attachment A, effective January 2, 2017, to set a rate of pay for the job classification of Extra Help – Social Services Job Training (Class #009690) that complies with the legally required minimum wage at that time and in the future, and
- b) Determines pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15378(b)(4) that the above action is a government fiscal activity which does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment, and therefore is not a project subject to environmental review.

Summary Text:

The Department of Social Services operates a subsidized employment program (the JOB\$ program) that provides participants with the incentive of a paycheck while they build skills, gain work experience, and connect with employers who will ideally retain them when the subsidy period ends. During Fiscal Year 2016-17 year-to-date, approximately 61 people each month on average have worked a maximum of 30 hours per week in the program. The job classification for participants in the program currently has a pay range of \$9.00 to \$12.00 per hour. The current legally applicable minimum wage for workers in Santa Barbara County is set by the State of California, and it will increase from \$10.00 per hour to \$10.50 per hour in January 2017, with gradual annual future increases scheduled to bring the rate to \$15.00 per hour in January 2022.

Although the current pay range for the job classification used for the JOB\$ program can accommodate the 2017 increase, it is preferable to set the rate of pay for this job classification at a single rate that complies with whatever legally required minimum wage would need to be paid to participants in subsidized employment programs like JOB\$. The recommended actions would set a single rate of pay for the job classification of Extra Help – Social Services Job Training (Class #009690) that will comply with the legally required minimum wage: \$10.50 per hour effective on January 2, 2017 and increasing to the applicable minimum wage in the future, whether it is a Federal, State, or local rate.

Background:

The Department of Social Services has long received funding from the State and Federal governments to operate subsidized employment programs. On September 16, 2014, the Board established a separate job classification for participants in such programs, and a pay range of \$9.00 - \$12.00 per hour, was set. When the State of California minimum wage increased to \$10.00 per hour in January 2016, Human Resources established B-step in the range at that rate, and staff in the Department of Social Services and the Auditor-Controller Payroll Division adjusted the rates of pay for each incumbent in the job classification to that step to comply with the law. This was essentially an inefficient, manual process, and absent Board approval of the recommended action, this process would need to be repeated when the legally required minimum wage increases to \$10.50 in 2017.

Moreover, the top of the current pay range for the job classification of Extra Help – Social Services Job Training will be lower than the California State minimum wage after January 2019, if all scheduled increases are implemented. Establishing a single rate of pay at the legally required minimum wage will ensure that participants in any subsidized employment program under the auspices of the Department of Social Services will be paid appropriately. In addition, from a compliance standpoint, it is not prudent to have a rate of pay lower than the legally required minimum rate, even though no one has been inappropriately paid in that job classification.

Staff recommends that the Board adopts the resolution in Attachment A to set the hourly rate of pay for the job classification of Extra Help – Social Services Job Training (Class #009690) at \$10.50, effective in Pay Period 2017-02 (beginning January 2, 2017), and increasing to the

applicable legally required minimum wage thereafter, whether it is a Federal, State, or local rate. No JOB\$ program participants are expected to work on New Year's Day 2017, the day the increase takes effect and the last day in Pay Period 2017-01, but in the event that happens, adjustments will be made to ensure they are paid \$0.50 per hour more than their current rate, in accordance with the new law.

Fiscal Analysis:

Budgeted: Yes.

Participation in this program varies month to month, and this fiscal year to date, an average of 61 participants each month worked a maximum of 30 hours per week in the JOB\$ program. At the current legally required minimum wage of \$10.00 per hour, the Department of Social Services is spending approximately \$73,200 maximum per month on average. When the minimum wage increases by \$0.50 per hour to \$10.50 in January, the Department expects to see an increase of approximately \$3,660 per month to \$76,860 on average. This equates to an anticipated annual increase of approximately \$43,920.

The cost of subsidized employment programs under the auspices of the Department of Social Services is entirely funded from State and Federal sources. The Department will continue to manage participation to its allocation of funds, and the recommended action will not result in any increased cost to the County General Fund.

cc: Mona Miyasato, County Executive Officer
Michael C. Ghizzoni, County Counsel
Theo Fallati, Auditor-Controller
Daniel Nielson, Social Services Director

Attachment A: Salary Resolution