



## **County of Santa Cruz Board of Supervisors**

### **Agenda Item Submittal**

**From:** General Services Department

**Subject:** Annual Living Wage Report and Living Wage Increase

**Meeting Date:** June 24, 2025

**Formal Title:** Accept and file the annual report on the Living Wage Program and adopt resolution for an increase to the living wage rates

### **Recommended Actions**

1. Accept and file report on the status of the private sector Living Wage Program; and
2. Adopt resolution setting the living wage at \$21.20 per hour for employees receiving benefits and at \$23.13 per hour for employees not receiving benefits, effective July 1, 2025.

### **Executive Summary**

General Services recommends that the Board adopt the resolution adjusting the County living wage, by the identified 2.3 percent Cost of Living Adjustment (COLA) increase, aligned to County's City jurisdictions, which shall be effective July 1, 2025.

This positive adjustment will increase the living wages paid to covered employees, as described in the Ordinance (from \$20.73 per hour) to \$21.20 per hour if employer benefits are provided and (from \$22.61 per hour) to \$23.13 per hour if employer benefits are not provided.

### **Discussion**

Effective January 11, 2002, the Board adopted the Living Wage Program for private sector employers. The administration and oversight of this program is led by General Services, with the assistance of the County Executive Office, County Counsel, and other County departments.

Living wage ordinances were adopted by the County, aligning with the Cities of Santa Cruz and Watsonville practices. The intention of the County's ordinance was to promote a uniform wage rate among the participating local jurisdictions, and initially, the living wage jurisdictions in the County utilized a uniform living wage rate. However, the City of Santa Cruz ordinance requires the living wage to be increased by the amount of the annual San Francisco-Oakland-San Jose area Consumer Price Index (CPI), whereas the ordinances adopted by the City of Watsonville and the County allow more flexibility in adopting practical living wage rates, which has resulted in different rates among the three jurisdictions. In January 2025, the City of Santa Cruz approved a 2.3% percent increase to its living wage rates effective: July 1, 2025. The City of Watsonville last approved an increase to its living wage rates effective: December 1, 2014; it is not known at this time if the City of Watsonville intends to increase its Fiscal Year 2025-26 rates.

The COLA increase for Fiscal Year 2024-25 was 2.5%.

Section 2.122.110 of the living wage ordinance requires an annual report be provided to the Board of Supervisors, on the status of the Living Wage Program. Included with this

letter (Attachment A) is the 2023-24 report, which contains a summary of activities conducted by General Services, statistical information, and information related to the certification process. This report addresses two areas: (1) the annual status of the private sector Living Wage Program as required by the ordinance; and (2) consideration of an increase to the living wage as addressed in the ordinance.

Section 2.122.020 (b) of the ordinance stipulates that the living wage paid to covered employees shall be set by resolution of the Board after consideration of the annual cost of living increase, as measured by the San Francisco-Oakland-San Jose area CPI by the percent change for the period from October to October. This section goes on to require that the Chairperson of the Board, or designee, meet with representatives appointed by each of the other jurisdictions in Santa Cruz County to recommend a uniform living wage index based on the CPI.

### **Financial Impact**

Contract costs across County Departments may be increased due to the updated hourly rates required by the living wage ordinance. The financial impact associated with the monitoring and reporting of the living wage ordinance program is built into the regular business of the General Services Department.

### **Strategic Initiatives**

Operational Plan - Dynamic Economy, Operational Excellence

### **Submitted By:**

Michael Beaton, General Services Director

### **Recommended By:**

Carlos J. Palacios, County Executive Officer

### **Artificial Intelligence Acknowledgment:**

Artificial Intelligence (AI) did not significantly contribute to the development of this agenda item.