

31. Accept and file the annual report on the Living Wage Program and adopt resolution for an increase to the living wage rates ()



## **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.



# County of Santa Cruz

## GENERAL SERVICES DEPARTMENT

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MICHAEL BEATON, DIRECTOR

### Fiscal Year 2024/2025 Living Wage Annual Summary Report

#### Overview:

During fiscal year (FY) 2024/2025, General Services' staff conducted the following activities related to Living Wage:

- Implemented an increase to the Living Wage approved by resolution as required by the Ordinance;
- Revised all Living Wage certification and informational documents and intranet information, effective July 1, 2024;
- Certified Living Wage applicable vendors that provided covered services in excess of \$15,000 during FY 2024/25, including those that were exempt under the Ordinance.

#### Current Statistics (July 1, 2024 through March 31, 2025):

There are currently 174 vendors providing living wage applicable services to the County of Santa Cruz in the covered services categories, 56 of which provided services in excess of \$15,000. Of these, 42 certified compliant, 8 have fewer than six employees and are therefore exempt under the Ordinance, and 6 have collective bargaining agreements with their employees and are therefore excluded from the Ordinance.

Table 1 shows the service category detail of vendors providing Living Wage applicable services above the \$15,000 threshold. Service categories with no current vendors were omitted.

Table 1				
Service Type	Total	Compliant	Exempt	Agreement
Automotive repair and maintenance	4	3	1	
Equipment maintenance service	17	13	2	2
Facility and building maintenance	9	7	1	1
Furniture Moving and Installation/Maint	2	2		
Janitorial and custodial services	4	1	3	
Landscaping services	4	4		
Laundry services	2			2
Office and clerical services	3	2	1	
Pest control services	1	1		
Security services	3	3		
Towing services	2	2		
Transportation and Shuttle Services	1	1		
Tree trimming and removal	4	3		1
<b>TOTAL</b>	<b>56</b>	<b>42</b>	<b>8</b>	<b>6</b>

**Fiscal Year 2024/2025 Living Wage Annual Summary Report**  
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Table 2 shows the service category detail of vendors providing Living Wage applicable services below the \$15,000 threshold. Service categories with no current vendors were omitted.

<b>Table 2</b>	
<b>Service Type</b>	<b>Total</b>
Automotive repair and maintenance	24
Equipment maintenance service	48
Facility and building maintenance	14
Furniture Moving & installation/maint	1
Janitorial and custodial services	3
Landscaping services	5
Laundry Services	1
Office and clerical services	6
Pest control services	5
Recreation Services	3
Security Services	2
Towing services	3
Tree trimming and removal	3
<b>TOTAL</b>	<b>118</b>

**Living Wage Certification Process for FY 2024/2025:**

Near the end of each fiscal year, based on prior years' purchasing activity, General Services' staff determines which vendors will likely need to certify their compliance with the Living Wage program in the new fiscal year. Upon Board of Supervisors approval of an increase to the Living Wage rates, General Services' staff summarizes the changes in the Ordinance, notifies the vendors of the changes, and obtains new Living Wage Compliance Statements from them.

Throughout the fiscal year, General Services' staff monitors all department purchase requisitions for existing and new service requests to identify Living Wage vendors and ensure their compliance with the program. County Counsel and the County Executive Office review covered services contracts over \$15,000 for compliance with the program.

Finance Enterprise, the County's financial and purchasing system tracks the cumulative value of all identified Living Wage vendors' expenditures. When vendors' expenditures reach the \$10,000 threshold, Finance Enterprise notifies General Services' staff to review the vendors' purchase orders and/or contracts and either certify the vendors or monitor these vendors' purchase orders and/or contracts for eventual certification.

When the cumulative value of an identified Living Wage vendor's purchase orders and/or contracts reaches \$15,000, and if the vendor has not certified, Finance Enterprise tags the vendor as not certified and prevents General Services' staff from increasing existing or issuing new purchase orders and/or contracts until the vendor certifies compliance.

**Fiscal Year 2024/2025 Living Wage Annual Summary Report**  
**Page 3 of 3****Living Wage Countywide:**

Staff contacted the Cities of Santa Cruz and Watsonville to confirm their participation in the Living Wage increase for FY 2025/26. On January 28, 2025, the City of Santa Cruz approved an increase in its FY 2025/26 rates consistent with the County formula effective July 1, 2025. It is not known at this time if the City of Watsonville intends to increase its FY 2025/26 rates. The County's FY 2025/26 Living Wage rates, effective July 1, 2025, matching the rates of the City of Santa Cruz, would be \$21.20 per hour with benefits and \$23.13 per hour without benefits.

**Living Wage for Nonprofit Agencies:**

Effective July 1, 2003, the Living Wage Ordinance was amended to include specific living wage requirements for nonprofit service providers. The Human Services Department (HSD) monitors all nonprofit contractors covered by the Living Wage Ordinance. General Services has included living wage information for nonprofits on the General Services' intranet site. This site allows information and certification forms regarding compliance with the Santa Cruz County Living Wage Ordinance to be readily available to County staff.

Due to HSD budget constraints, Living Wage reporting for nonprofit agencies has been suspended for the past several years. However, nonprofit agencies were still required to submit self-certification forms to HSD indicating if all of their workers were paid a living wage. Nonprofit agencies were not required to submit wage data reports to the County for FY 2024/2025.

**Additional Information:**

- In FY 2024/2025 General Services' staff identified no issues and received no complaints related to the Living Wage program and/or the self-certification process.
- General Services' staff will continue to review and improve Living Wage procedures and processes to fully utilize Finance Enterprise to monitor and enforce the Living Wage Ordinance.
- As proposed, at \$21.20 per hour with benefits and \$23.13 per hour without benefits, Santa Cruz County and the City of Santa Cruz's FY 2025/26 Living Wage Ordinances provide for a Living Wage that is comparable to or higher than other living wage rates in the Central Coast region.

**BEFORE THE BOARD OF SUPERVISORS  
OF THE COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA**

RESOLUTION NO. \_\_\_\_\_

On the motion of Supervisor  
duly seconded by Supervisor  
the following resolution is adopted

**RESOLUTION SETTING THE LIVING WAGE**

WHEREAS, the Board of Supervisors has adopted Ordinance No. 4646 adding Chapter 2.122 to the Santa Cruz County Code relating to a living wage; and

WHEREAS, Section 2.122.020 (b) provides that the living wage to be paid to employees pursuant to the requirements of the Living Wage Ordinance shall be a minimum hourly wage set by resolution of the Board of Supervisors after consideration of the annual cost of living increase as measured by the San Francisco-Oakland-San Jose Area Consumer Price Index, Table 6 – Consumer Price Index for Urban Wage Earners and Clerical Workers, per cent change for the period October to October.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Board of Supervisors that effective July 1, 2025:

1. The living wage to be paid to employees when said employees receive the minimum level of benefits as described in Section 2.122.020 (c) of the Ordinance shall be \$21.20 per hour; and
2. The living wage to be paid to employees when said employees do not receive the minimum level of benefits as described in Section 2.122.020 (c) of the Ordinance shall be \$23.13 per hour.


PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Cruz, State of California, this 24th day of June, 2025, by the following vote:

AYES:                      SUPERVISOR  
NOES:                     SUPERVISOR  
ABSENT:                  SUPERVISOR

\_\_\_\_\_  
Chairperson of the Board of Supervisors

ATTEST: \_\_\_\_\_  
Clerk of the Board

APPROVED AS TO FORM:

Signed by:  
 6/3/2025  
\_\_\_\_\_  
FD318C222C994D0...  
County Counsel

Distribution:              All County Departments

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Arthur.Wille@santacruzcountyca.gov

County of Santa Cruz

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## In Person Signer Events

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## Timestamp

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## Status

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## Timestamp

## Certified Delivery Events

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## Timestamp

## Carbon Copy Events

## Status

## Timestamp

## Witness Events

## Signature

## Timestamp

## Notary Events

## Signature

## Timestamp

## Envelope Summary Events

## Status

## Timestamps

Envelope Sent

Hashed/Encrypted

6/2/2025 2:37:11 PM

Certified Delivered

Security Checked

6/2/2025 2:53:56 PM

Signing Complete

Security Checked

6/3/2025 11:33:10 AM

Completed

Security Checked

6/3/2025 11:33:10 AM

## Payment Events

## Status

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