



Office of the City Manager

SUPPLEMENTAL AGENDA MATERIAL for Supplemental Packet 1

Meeting Date: June 30, 2020

Item Number: 37

Item Description: **Proposed Amendment to Berkeley's Minimum Wage Ordinance: Berkeley Municipal Code Chapter 13.99** (Continued from June 16, 2020)

Submitted by: **Lisa Warhuus, Director of Health, Housing, and Community Services**

There are two distinct issues with the YouthWorks program Council has inquired about:

- 1) Scaled back Summer 2020 Program
- 2) Proposal to freeze wages at current wage (\$14.50/hour) for one year.

1) Scaled Back Summer 2020 Program

COVID-19 has closed the majority of youth placements this summer, and we are working on getting 50 – 60 participants in the Summer 2020 program. While it is listed in our deferral strategy, the reason for the limitation is **not** as a cost savings measure; rather it is an indication of COVID-19 restrictions and reflects the fact that most of our placements for youth are not available. To date we have identified 25 placements, and we are working hard to reach 50, though reaching that goal depends on placement availability.

Staff are looking through all of the applications and are selecting those participants with the highest identified needs for placement. Program participants work for up to 7 weeks with an average of 145 hours per participant in the program, plus paid time for orientation and workplace skills and sexual harassment trainings.

2) Proposal to Freeze wages at current wage (\$14.50/hour) for one year

HHCS staff proposed freezing YouthWorks wages for FY 21 at the current \$14.50/hour, as opposed to rising to \$15.75 on July 1, 2020. After one year, wages would start increasing according to CPI.

In no way is this meant to diminish the important work of the participants or the positive impact they have on their workplaces. Rather, it distinguishes job training programs with support and training for participants from other minimum wage jobs. As a job training program, the intention is to prepare participants for long term employment in the community.

For FY21, the base funding for youth wages is \$543,725. We do not need additional funds for FY21 due to COVID modifications. The following table assumes we are back to regular program averages by FY22, in which case we would need an additional \$336,771 over our baseline allocation. The alternative would be to reduce the number of youth participants.

	Costs @ \$14.50/hour	Costs @ \$15.75/hour
Pre-Employment Paid Training:	\$ 43,500	\$ 47,250
Summer Program Wages:	\$ 516,429	\$ 560,928
Early Start REC BUSD expenses	\$ 43,500	\$ 47,250
Winter Program wages:	\$ 79,605	\$ 86,468
Extended Program wages:	\$ 113,100	\$ 122,850
Other Extended Program expenses:	\$ 14,500	\$ 15,750
Total Program Cost:	\$ 810,634	\$ 880,496
Base Program Funding FY21:	\$ 543,725	\$ 543,725
Variance:	\$ (266,909)	\$ (336,771)
<i>Assumptions: Summer Program - 230 participants, 145 hours + training;</i>		
<i>Winter Program 65 participants, 80 hours; Extended Program 20 participants 345 hours.</i>		