

Agustin J. Barrera, Chairman

SUBJECT: CONDUCT A FEASIBILITY STUDY TO DETERMINE HOW TO IMPLEMENT A LIVING WAGE FOR DISTRICT EMPLOYEES

COMMITTEE: INNOVATION, EFFICIENCY, AND GOVERNMENTAL RELATIONS

Introduction

One of the five goals from the *District's 2005-08 Strategic Plan* is "recruit, develop, and retain high-performing, diverse, and motivated faculty and staff." Key to meeting this goal is ensuring that all District employees are compensated in a manner that allows them to meet their basic needs. While the School Board has worked diligently to address pay equity for District employees, additional work is still needed to bridge the economic gap between what employees are paid versus what is needed to maintain a decent standard of living.

Currently, over 40 municipalities, including Miami-Dade County and City of Miami Beach, have adopted living wage ordinances. The concept behind a living wage is that public dollars should be leveraged for public good and as a public employer, M-DCPS, should demonstrate a commitment to providing decent, family-supporting jobs. Additionally, new research has demonstrated that implementing a living wage has reduced turnover and absenteeism (which lowered recruitment and training costs) and increased productivity.

Background

A living wage is defined as "a wage sufficient to provide minimally satisfactory living conditions." A living wage is different than the federally mandated 'minimum wage' because the minimum wage does not keep people out of poverty and, in fact, a person working full-time at the District at the Florida minimum wage of \$6.40 can still live in poverty. For this reason, a self-sufficiency standard is often used to determine a living wage. The self-sufficiency standard defines what a person would need to earn to maintain a decent standard of living, without public/private assistance. For Florida, this standard is generally defined as twice the federal poverty threshold. For 2004, the poverty threshold for a family of two adults and two children was \$19,157. For the same family living in Broward County, the self-sufficiency standard would be \$50,963. (Pearce and Brooks; The Self-Sufficiency Standard for Florida, December 2004)

In November 1999, Miami-Dade County adopted the Living Wage Ordinance. As of October 2005, this ordinance set a living wage at \$9.81 per hour with healthcare benefits or \$11.23 without healthcare benefits. In February 2006, Dr. Bruce Nissen and

Dr. Jen Wolfe Borum, Research Institute Social and Economic Policy at Florida International University, conducted a study to determine the impact of the Living Wage Ordinance. The findings are as follows:

- Increased income has improved the lives of the workers who received mandated pay increases and their families in a variety of ways
 - 58% - housing situation improved
 - 37% - education situation improved
 - 87.5% - ability to pay bills/reduce debt increased
 - 55.5% - ability to save money improved
- “Unintended negative consequences” predicted by the critics of the Living Wage Ordinance have not materialized
 - Contrary to the predictions of many opponents of the ordinance, middle class teenagers increasing their pocket money were not the main beneficiaries of the Living Wage Ordinance. The average age of respondents was 43 years old. All respondents supported their household and many contributed to the support of other households with their wages.
- The Miami-Dade Living Wage Ordinance has been very successful at combating “working poverty” for those doing county or county-financed work.

Recommendation

Given these findings, it appears to be in the interest of the District to explore implementing a living wage. This Board Agenda Item proposes that the Superintendent conduct a feasibility study to determine how to implement a living wage for District employees. This study will define an appropriate living wage, the financial impact to the District, and an implementation plan with timeline.

ACTION PROPOSED BY

CHAIRMAN AGUSTIN J. BARRERA: That The School Board of Miami-Dade County, Florida, direct the Superintendent to conduct a feasibility study to determine how to implement a living wage for District employees and report back to the School Board within 90 days.