

## EXECUTIVE COMMITTEE



**ACTION ITEM #1.5**

**SUBMITTAL DATE: August 19, 2009**

**SUBJECT:** Adoption of Self-Sufficiency Wages

**RECOMMENDATION:** That the Riverside County Workforce Investment Board Executive Committee adopts the California Budget Project’s Self-Sufficiency Standard hourly wage rates as the self-sufficient wage rate in Riverside County.

**BACKGROUND:**

The adoption of a definition of self-sufficiency by Local Workforce Investment Boards allows a local area to provide services to employed individuals who may exceed the lower living income eligibility standards but are earning an income less than the established self-sufficiency standards for the local area. The intent of the law is to enable local areas to assist the working poor with workforce development services that lead to an increase in earnings.

Because there are different local conditions that should be considered in this determination, the federal regulations provide maximum flexibility to states and local areas, requiring only that self-sufficiency means employment that pays at least the lower living standard income level. Local Workforce Investment Boards must set criteria for determining whether employment leads to self-sufficiency by establishing a self-sufficiency wage.

Staff conducted research to establish self-sufficiency standards and is recommending the WIB adopt the California Budget Project (CBP) self-sufficiency standard established for Riverside County. The CBP’s Self-Sufficiency Standard takes into consideration the amount families and single adults need to earn in order to achieve a modest standard of living without assistance from public programs. In developing these guidelines, the CBP hopes to provide a benchmark for assessing the adequacy of current employment opportunities and public policies that address the economic challenges facing many families. The CBP Self-Sufficiency Standard for Riverside County is as outlined in the chart below:

Region IX California Budget Project Self-Sufficiency Categories and Rates

Cost Category	Single Adult	Single Parent Family	Two Parent Family (one working)	Two Working Parent Family
Housing /Utilities	\$925	\$1224	\$1224	\$1224
Child Care	\$0	\$1046	\$0	\$1046
Transportation	\$446	\$446	\$446	\$814
Food	\$211	\$507	\$731	\$731
Health Care	\$231	\$648	\$853	\$853
Miscellaneous	\$206	\$437	\$506	\$506
Taxes	<u>\$503</u>	<u>\$683</u>	<u>\$482</u>	<u>\$884</u>
Monthly Total	\$2522	\$4,990	\$4242	\$6058
Annual Total	\$30,262	\$59,875	\$50,905	\$72,696
Hourly* Self-Sufficient Wage	<b>\$14.55</b>	<b>\$28.79</b>	<b>\$24.47</b>	<b>\$17.48</b>

\*Hourly rates assume 40 hours per week. The two working parent wage is the hourly wage for each parent.

The CBP was founded in 1994 to provide Californians with a source of timely, objective, and accessible expertise on state fiscal and economic policy issues. The CBP engages in independent fiscal and policy analysis and public education with the goal of improving public policies affecting economic and social well-being of low and middle income Californians. Support for the CBP comes from grants, publications, and individual contributions.

EXECUTIVE COMMITTEE  Date: August 19, 2009 Approval: Yes/No	BOARD OF SUPERVISORS CONCURRENCE  Required: Yes/No
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