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(ITEM) A resolution by Supervisor Johnson, Jr., amending Chapter 111 of the Milwaukee County Code of General Ordinances by creating an alternate standard for annual living wage increases for employees contracted to provide personal care and supportive home care to persons with disabilities and frail elderly through agencies that exclusively contract with Milwaukee County, by recommending adoption of the following:

A RESOLUTION/ORDINANCE

WHEREAS, on March 20, 2014, the Milwaukee County Board of Supervisors adopted File No. 13-955 (vote 12-6), a living wage ordinance requiring many businesses contracting with Milwaukee County to pay a minimum hourly wage of approximately \$11.47 an hour, which will be updated annually to account for the annual average increase in the poverty tables; and

WHEREAS, the Milwaukee County Department of Family Care Managed Care Organization (MCDFC MCO) pays its supportive home care workers \$10.27 an hour, which is more than the federal minimum wage, and in the past three years it has given workers either a wage increase or bonus payment every year; and

WHEREAS, twice in the past three years, the State of Wisconsin has decreased the capitation rate (a fixed amount of Medicaid dollars MCDFC MCO receives per Family Care enrollee per month) of the MCDFC MCO; and

WHEREAS, the funds from the State of Wisconsin are the only monies MCDFC MCO receives to pay for member services and administrative costs; and

WHEREAS, based on the 2014 capitation rate decrease, the MCDFC MCO will need to draw a minimum of \$2.5 million from the required operating reserve next year to cover shortfalls; and

WHEREAS, if the MCDFC MCO exhausts its reserves, the State of Wisconsin may terminate its Family Care contract with Milwaukee County; and

WHEREAS, it is the intention of the Director of MCDFC to annually assess the financial status of Family Care and provide raises or bonuses to the supportive care workers if feasible and sustainable based on the capitation rate; and

WHEREAS, the Office of the Comptroller estimated, as part of the living wage ordinance fiscal note, that requiring the MCDFC MCO to increase its base hourly rate to the required County minimum wage set forth in Chapter 111 will cause the reserves to be depleted by 2019; and

46 WHEREAS, if the State terminates its contract with MCDFC MCO, 84
47 Department of Family Care employees and nearly 500 care managers and nurses may
48 be adversely impacted; and
49

50 WHEREAS, any private organization that replaces MCDFC MCO will be under
51 no obligation to hire displaced workers, nor to pay supportive home care workers more
52 than the federal minimum wage; and
53

54 WHEREAS, the Committee on Finance, Personnel, and Audit, at its meeting of
55 December 11, 2014, provided **no recommendation**, due to a tie vote on a motion to
56 recommend adoption; now, therefore,
57

58 BE IT RESOLVED, the Milwaukee County Board of Supervisors hereby amends
59 Chapter 111 of the Milwaukee County Code of General Ordinances by adopting the
60 following:
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62 **AN ORDINANCE**
63

64 The Milwaukee County Board of Supervisors ordains the following:
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66 **SECTION 1.** Chapter 110 of the General Ordinances of Milwaukee County is amended
67 as follows:
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69 **111.03. Standards requirement.**
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71 (1) All employees performing part or full time work for a contractor,
72 subcontractor, lessee or recipient of economic development financial assistance
73 covered under this chapter and all direct employees of the county, shall be paid
74 the minimum wage rate defined in chapter 111.02(e), except as provided in
75 subsections (c) and (d) of this section.
76

77 (a) Tipped employees, employees paid on commission, or employees
78 whose compensation consists of more than hourly wages shall be
79 paid an hourly wage, when coupled with the other compensation,
80 that will at least equal the minimum wage rate. The value of meals
81 or lodging shall be calculated pursuant to Chapter DWD 272,
82 Wisconsin Administrative Code.
83

84 (b) Contractors and subcontractors as defined in chapter 111.02(g)(1)
85 and (2) shall be subject to the requirements of this chapter for the
86 duration of the agreement with the county. Employees of
87 contractors and subcontractors shall be covered under the
88 requirements of this chapter for the hours worked in performance of
89 covered agreements.
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- (c) Recipients of economic development financial assistance and subcontractors as defined in chapter shall:
 - i. Be subject to the requirements of this chapter for a period equal to one (1) year for every one hundred thousand dollars (\$100,000.00) provided in economic development financial assistance, rounded to the nearest whole year; and employees of such recipients and subcontractors shall be covered under the requirements of this chapter for work performed on the premises of a project benefiting from financial assistance.

- (d) Minimum wage rate requirement will be updated annually on the last business day of February, except for employees covered under agreements to provide personal care and supportive home care to persons with disabilities and frail elderly through agencies that exclusively contract with Milwaukee County. Post-2014, these employees' wage increases from the 2014 minimum wage requirement will be at the discretion of the Director of Family Care and will be based on multiple factors, including, but not limited to, the annual capitation rate, ongoing expenditures, the ability of the organization to serve all Family Care members, and the necessity to maintain reserve requirements.

SECTION 2. The provisions of this ordinance shall be effective upon passage and publication.

jmj
12/11/14
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