

FAIR WAGE/FAIR WORK PLAN

University of California President Janet Napolitano announced that the minimum wage for its workers — both direct and service contract employees — will be raised to \$15 an hour over the next three years. In addition, she directed that all contractors doing business with UC comply with government and university workplace laws and policies.

What does this mean for ANR?

This means that effective October 01, 2015 all UC employees 50% time or more (except for student titles) will be covered under the Fair Wage/Fair Work Plan. This plan establishes a minimum wage of:

- At least \$13/hour beginning October 1, 2015
- At least \$14/hour beginning October 1, 2016
- At least \$15/hour beginning October 1, 2017

The plan also requires that UC's service contractors guarantee their workers the UC minimum wage for workers assigned to UC projects.

Staff Impact

For the first two years of the plan, ANR will not see any changes to the wages of their staff population, as ANR has already met the minimum wage requirements. In 2017, there may only be a small handful of any affected staff, but HR will prepare announcements well in advance of any wage adjustments.

Vendor/Service Impact

Many vendors will already be paying higher than the instituted minimum wage, especially for those positions where the "prevailing wage" is used. However Farm Labor positions and Custodial positions typically pay the local minimum wage which does not meet our new standard of pay. This means we will need to work with our vendors to adjust any new or changing agreement effective October 01, 2015.

Some of our vendors will easily agree to the terms of the pay, and will pass the changes in the wages back along to us. Other vendors may have a harder time with the additional compliance and may decline to continue services.

We are working to develop a communication document and tip sheet for coordination with service providers.

Why is this being done?

To raise the standard of pay across the board for the entire UC system and to level the playing field between the UC and non-UC employees who do work on our facilities. The intention is to encourage economic growth in the UC communities, as well as to encourage those individuals who work with the UC system, whether as a direct employee or as a contractor, to continue to place value on the continued

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When will the new plan take effect for workers employed by service contractors supporting UC?

Beginning with any new request for proposals issued after October 1, 2015, any new contract or any contract renewal by UC for services will require the contractor to pay its workers the UC minimum wage.

How will this impact our budgets?

There are no staff salaries impacted by this in 2015, however the overall budgetary impact depends on whether you have any vendor or service agreements. Additional costs in salaries for the service employees will, in all likelihood, be passed back on to ANR.

How will UC ensure contractors comply with the \$15 per hour minimum wage requirement?

UC is creating the following mechanisms to ensure contractors comply with this plan:

- Worker hotline: A new telephone hotline (855-WAGES-UC) allows workers employed by UC contractors to report issues related to wages or working conditions. They can also submit their concerns through: <http://www.universityofcalifornia.edu/hotline/>.
- Online complaint registration system: An online mechanism for contract workers to register complaints directly with UC, through <http://www.universityofcalifornia.edu/hotline/>.
- Annual and periodic audits: All UC contractors will be subject to an annual audit, paid for by the contractor, to ensure they and their subcontractors are complying with UC's minimum wage plan, as well as all federal, state, and UC workplace laws and policies. UC contractors will also be subject to periodic audits to ensure compliance with UC's minimum wage rules and expectations for working conditions. The audits will be implemented as existing contracts come up for renewal and as new contracts are established.

Alternate Farm Labor and Custodial Service Options

For urgent or long term needs utilizing traditional employment methods are the most compliant and simple to means to provide services to your location. The hiring process has been brought down to less than one week for Farm Labor and the same can be done with Custodial services. The cost for services will be similar for vendor/service agreements as with employment.

Potential Non-Vendor Options

Career: Fixed or variable at 50% or more, for 12 months or more.

Contract: Fixed or variable for a definitive period. Project-based. Terms and conditions specified in written contract. Non-represented only.

Limited: Any percent of time, fixed or variable, on pay status for less than 1,000 hours in a 'rolling' 12 month period. Include non-UC Students.

Casual/ Restricted: Reserved for UC students. Retains status regardless of percent of time or duration.

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Per Diem: Adds to or substitutes for career and limited appointments on a pre-scheduled or 'as needed' on a day-to-day basis. (tc8544-\$15.99). Not subject to 1000 hour rule, but cannot be used to avoid career status.

Casual Labor: Temporary employment in connection with cultivating of soil or raising and harvesting of agricultural and horticultural commodities. \$1,500 maximum at scale (tc8544-\$15.99). Processed outside payroll system.

FOLLOW UP

If there are still concerns that services will not be provided or cannot continue without the assistance of a vendor, contact Bethanie Brown at brbbrown@ucanr.edu to discuss further. We may be able to assist with communications for the vendor, plans to use employment methods, or even shared services with other locations in the same situation.