



Local Minimum Wage Consideration

City Council Work Session

April 11, 2023

1. What additional information does Council need?
2. Does Council support moving forward with a May 16, 2023 first reading?
3. What wage and wage schedule would Council like to consider?

HB19-1210

- Allows local governments to establish minimum wage laws.
- Only 10% of Colorado municipalities allowed to adopt local wage.
- Local wage must take effect on the same day as the statewide minimum wage increase.
- If wage is higher than the statewide minimum the local wage can only increase each year by \$1.75 or 15%, whichever is higher, until the local wage reaches the amount enacted by the local government.
- Communities considering a local wage must:
 - Engage with stakeholders including chambers of commerce, small and large businesses, businesses that employ tipped workers, workers, labor unions, and community groups, and;
 - Consult with surrounding local governments.

Consider an ordinance to set a Local Minimum Wage (LMW)

- Council Priority
- 3 work sessions in 2022
- Ordinance consideration November 2022
- Initiative delayed to May 16, 2023
 - Target outreach to low-income earners
 - More regional conversation
 - Longer adjustment period for employers
 - If adopted, implementation January 1, 2024
 - Applies to all employers within Fort Collins

Staff reached/attempted to reach: Regional groups and partners, housing providers, housing program residents, the Larimer County Workforce Center, Larimer County Health and Human Services, Denver County Health and Human Services, and non-profit grant managers.

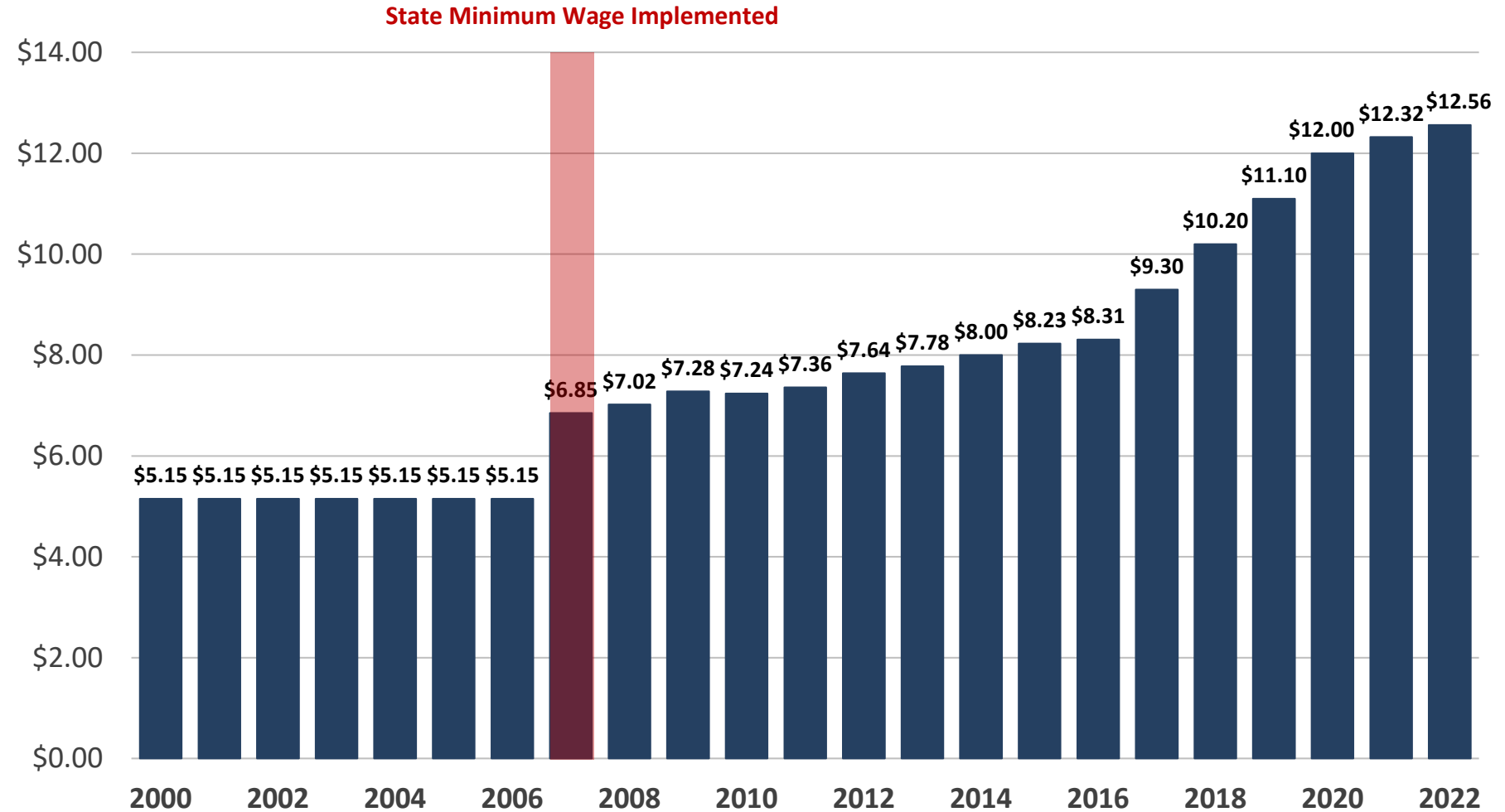
Feedback received included:

- Housing concerns
- Need for fulltime/consistent hours
- Benefit of skill up programs
- Success of direct cash payments

Additional Information provided:

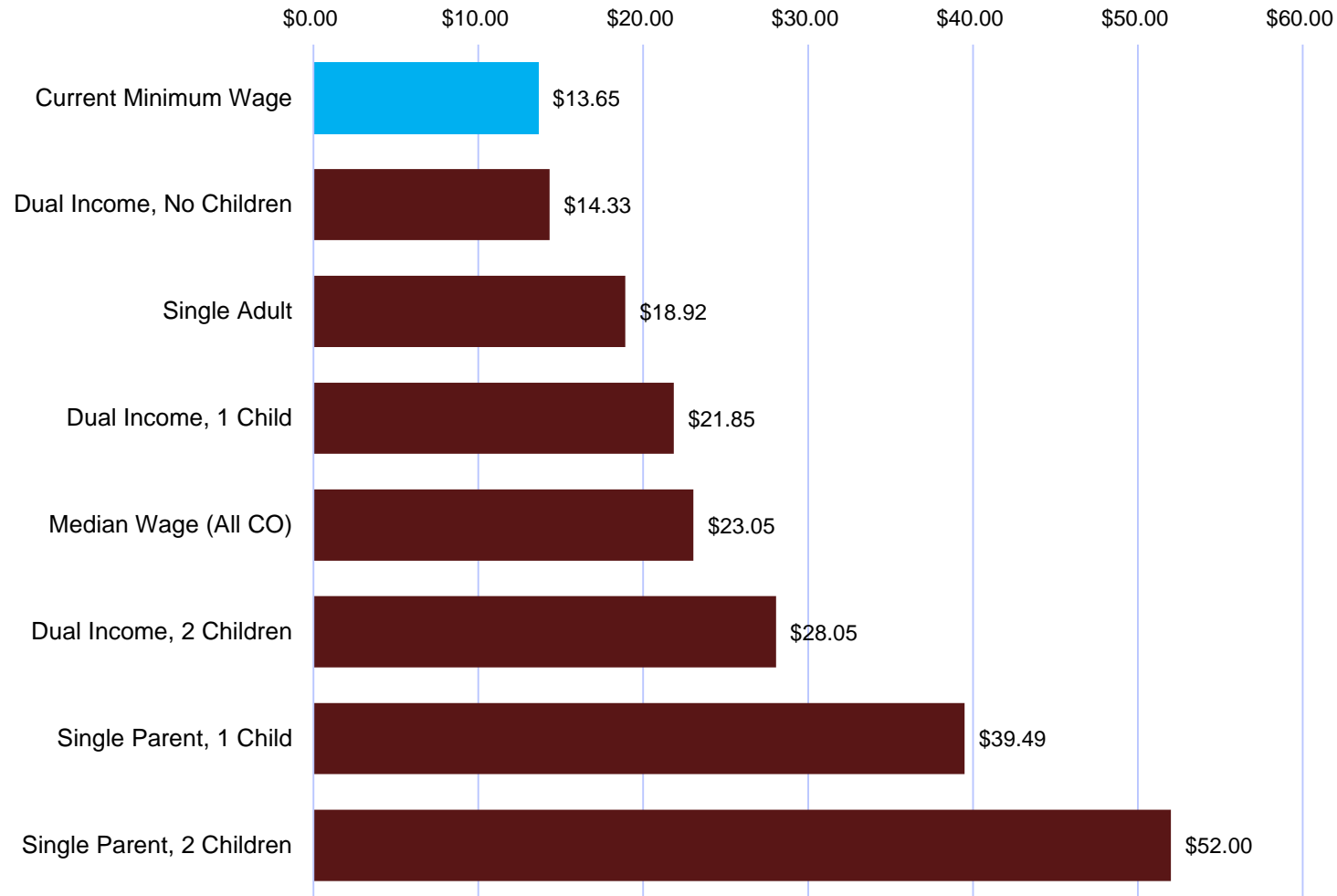
- Benefit Cliff
- Employer costs
- Regional minimum wage effort

- 2023 minimum wage is \$13.65/hour (\$10.63/hour for tipped employees)
- Annual increases since 2016 range from a low of \$0.24 to high of \$1.09 (2023)
- 2023 first quarter rate of inflation is scheduled to be released on April 12, 2023.

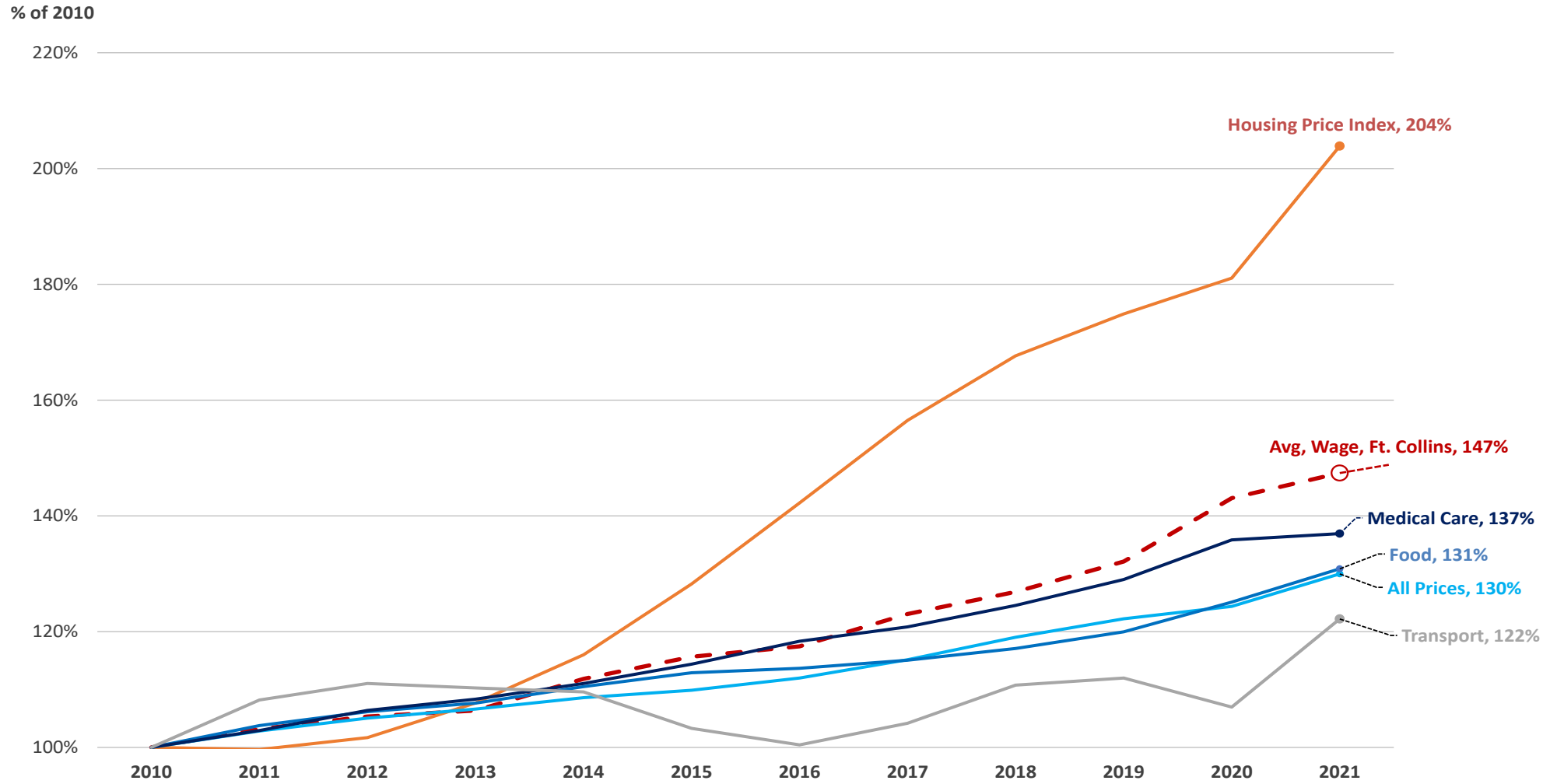


Source: Economic & Planning Systems

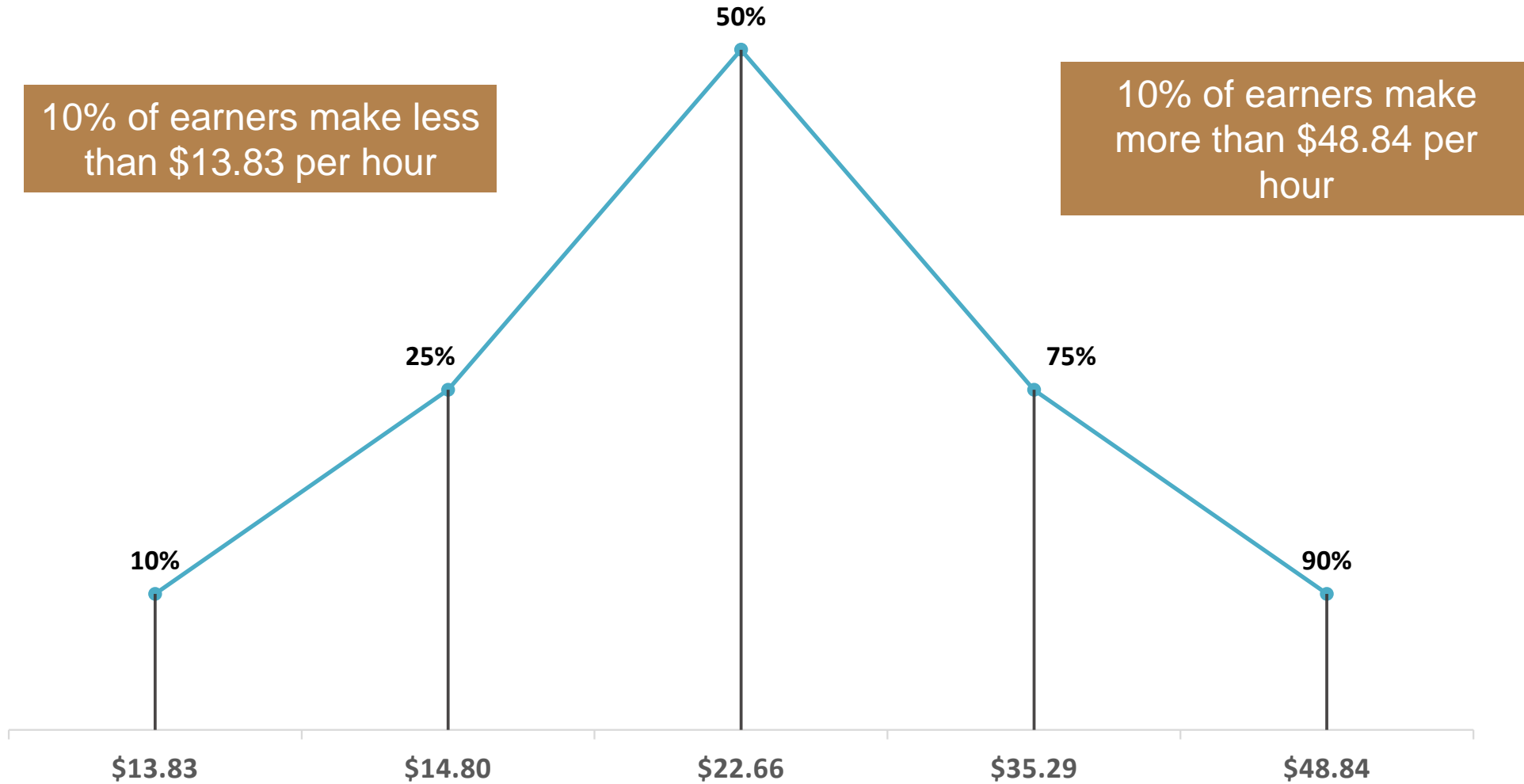
Living Wage by Household Type, Fort Collins



<https://livingwage.mit.edu/metros/22660> (2022-23 Update)



Source: BLS; FHFA; Economic & Planning Systems



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	\$15/hr LMW (Full time)		
	Single earner	Single earner, 1 child	Single earner, 2 children
Supplemental Nutrition Assistance Program Eligibility	Ineligible	Eligible	Eligible
Health First Colorado Eligibility	Ineligible	Ineligible	Eligible
Child Health Plan Plus Eligibility	Eligible	Eligible	Eligible
Housing Catalyst Rental Assistance Eligibility	Eligible	Eligible	Eligible
Low-income Energy Assistance Program Eligibility	Eligible	Eligible	Eligible
Colorado Childcare Assistance Program Eligibility	N/A	Eligible	Eligible

	\$17/hr LMW (Full time)		
	Single earner	Single earner, 1 child	Single earner, 2 children
Supplemental Nutrition Assistance Program Eligibility	Ineligible	Eligible	Eligible
Health First Colorado Eligibility	Ineligible	Ineligible	Ineligible
Child Health Plan Plus Eligibility	Ineligible	Eligible	Eligible
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Year	CPI	State MW	Annual Salary	Increase	LMW	Annual Salary	Delta
			40hrs/wk & 2 holidays			40hrs/wk & 2 holidays	
2023	9%	\$13.65	\$28.2K	\$0.00	\$13.65	\$28.2K	\$0.00
2024	5%	\$14.33	\$29.6K	\$1.50	\$15.15	\$31.3K	\$0.82
2025	3%	\$14.76	\$30.5K	\$1.75	\$16.90	\$34.9K	\$2.14
2026	3%	\$15.21	\$31.4K	\$1.60	\$18.50	\$38.2K	\$3.29
2027	3%	\$15.66	\$32.3K	3%	\$19.06	\$39.3K	\$3.39
2028	3%	\$16.13	\$33.3K	3%	\$19.63	\$40.5K	\$3.50
2029	3%	\$16.62	\$34.3K	3%	\$20.22	\$41.7K	\$3.60
2030	3%	\$17.11	\$35.3K	3%	\$20.82	\$43.0K	\$3.71

At an hourly rate of \$13.65 employers contribute approximately \$15.12 after contributions to Social Security, Medicare, FAMILI, Potential Unemployment, and Work Comp Insurance.

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2024	5%	\$14.33	\$29.6K	\$1.00	\$14.65	\$30.2K	\$0.32
2025	3%	\$14.76	\$30.5K	\$1.00	\$15.65	\$32.3K	\$0.89
2026	3%	\$15.21	\$31.4K	\$1.00	\$16.65	\$34.4K	\$1.44
2027	3%	\$15.66	\$32.3K	3%	\$17.15	\$35.4K	\$1.49
2028	3%	\$16.13	\$33.3K	3%	\$17.66	\$36.5K	\$1.53
2029	3%	\$16.62	\$34.3K	3%	\$18.19	\$37.6K	\$1.58
2030	3%	\$17.11	\$35.3K	3%	\$18.74	\$38.7K	\$1.63

Ordinance includes:

- LMW amounts and schedules.
 - Option 1 meets September 2022 Council feedback (\$18.50 by 2026)
 - Option 2 adjusted based on business feedback (\$16.65 by 2026)
- CPI adjustments starting in 2027 with a 2% floor and 5% ceiling in adjustment
- Clarity on existing state rules/process
 - Minors can be paid 15% less than adopted wage
 - Tipped employee wage will be \$3.02 less than adopted wage
 - Ability and intent for Colorado State Department of Employee and Labor to receive and investigate complaints
 - Cases would go to District or County court (not municipal court)
- A provision that the City will monitor state and federal minimum wages and bring recommendations to Council as needed

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THANK YOU!

