

CITY OF TACOMA'S MINIMUM WAGE TASK FORCE

FOUR ALTERNATIVES THE TASK FORCE BRAINSTORMED

ON 4 JUNE 2015

| ELEMENTS | ALTERNATIVE A | Alternative B | Alternative C | Alternative D |
|---|---|---|-----------------------------|---|
| Amount in Dollars Total dollar increase in the minimum wage. | \$12 per hour | \$15 per hour | \$10 per hour | \$13 per hour |
| Date Implementation Starts (Length of Time to Implementation) Date the program to increase the minimum wage starts. | 1 July 2016 ¹ | 1 July 2016 | 1 July 2016 | 1 July 2016 |
| Phased-in or Immediate Approach What approach should be used to increase minimum wage? | Support for both approaches | Phased-in (up to 5 years) | Support for both approaches | Phased-in (up to 4 years) |
| Length of Time to Final Increase Length of time to achieve a total increase in the minimum wage. | Immediately for big businesses to 1 year for everyone | 1 year for big businesses to 5 years for everyone | Immediately | 1 year for big businesses to 4 years for everyone |
| Number of Steps to Amount How many steps needed to reach total increase in minimum wage? | 0 - 3 ² | 0 - 5 | 0 | 0 - 4 |
| Credits or Exemptions What credits or exemptions should be considered? | See list on next page. | See list on next page. | See list on next page. | See list on next page. |
| Maintaining an Amount Should the minimum wage continue to increase based on some cost of living measure? | Yes ³ | Yes | Yes | Yes |
| Compliance/Enforcement How is compliance with the program ensured or enforced? | ⁴ | | | |
| Intended Consequences What are some intended outcomes? | | | | |
| Unintended Consequences What might be unintended consequences, both positive and negative? | | | | |

¹ For all four alternatives, the minimum wage would rise on 1 January 2016 under existing state and city law. There would be a second increase on 1 July 2016 under the terms of this program.

² The ranges in steps for Alternatives A, B, and D represent 0 years (or immediately achieve the goal) for big businesses to the number of annual increases (beginning on 1 July 2016) needed to raise the minimum wage to achieve the goal.

³ The amount of the automatic annual raise in the hourly minimum wage could be determined by: a) maintaining Tacoma's minimum annual wage at a certain amount or percentage about the State's minimum wage; b) linking it to the appropriate Consumer Price Index (CPI); or c) linking it to the median income in the city.

⁴ Ideas ranged from using administrative support followed by civil penalties for non-compliance to basing enforcement on state law. Depending on how complicated the enforcement mechanism becomes, a Task Force member suggested that Tacoma may need to establish an Office of Labor Standards.

Brainstormed List of Credits and Exemptions:

A couple Task Force members said there should be no exemptions, and speculated that the simpler the program, the less need there could be for them. A couple other Task Force members suggested there should be exemptions for small businesses and small non-profit organizations but they should "sunset" (expire) after a certain amount of time. One interest expressed was that Tacoma's policies should be consistent with state law.

Here is the brainstormed list of potential exemptions or credits:

- provide a "tip credit" for restaurant employees
- calculate medical/health benefits as well as paid sick days, vacation days, and retirement programs into the equation
- provide credits for first-time hires, trainees and interns, youth, and/or chronically unemployed people
- remove collective bargaining units from the minimum wage ordinance, as some cities have done
- exempt businesses that do not sell their products in Tacoma but export them out of the city
- provide credit for companies that incentivize full-time employment, such as making part-time positions into full-time jobs for employees who want to work more hours
- protect tips by ensuring they go to the employees