

McElhaney, Lynette

FILED
OFFICE OF THE CITY CLERK
OAKLAND

From: Kimberly Scrafano <kscrafano@eastbaygoodwill.org>
Sent: Monday, July 21, 2014 1:19 PM
To: McElhaney, Lynette
Subject: Minimum Wage in Oakland - Ltr from Goodwill CEO

2014 JUL 22 PM 4:15

Dear Councilmember McElhaney:

I am writing on behalf of Goodwill Industries of the Greater East Bay to express our support for raising the minimum wage in a sustainable and graduated manner. Goodwill fully supports a higher minimum wage to help lift people out of poverty, but we also have concerns about the unintended consequences of a sudden increase. If an abrupt increase in the minimum wage were passed, it would negatively impact our ability to provide much-needed paid job training and support services to Oakland residents who are otherwise unemployable. Most minimum wage ordinances in the country provide exemptions for nonprofits and job training programs, as well as a graduated approach to raising the minimum wage over a period of years. Therefore, we ask that you consider enacting a more sustainable measure that gradually increases the minimum wage and exempts job training programs so that we can continue to help those in need gain self-sufficiency.

Goodwill Industries of the Greater East Bay, a 501(c)3 nonprofit founded in 1919, has been providing those with significant barriers to employment, such as homelessness, history of incarceration, limited education or English language skills, and disabilities with paid job training, support services, and competitive job placement in the City of Oakland for 95 years. Our program serves more than 4,000 individuals and families in the East Bay every year, many of whom live in Oakland, and is one of the very few job training programs that offers paid training at or above the minimum wage as set forth by the State of California. While we do not seek to pay sub-minimum wage based on state levels, a local ordinance raising this amount would negatively impact our ability to provide paid job training to our community's most vulnerable members so they can gain the skills and experience they need to learn how to work.

The current initiative set for the November ballot that would take Oakland to \$12.25 overnight without any exceptions and impose other requirements could produce unintended consequences for those we help. For Goodwill, it would mean that fewer people would have access to paid training and support services since we would need to cut significantly the number of paid training hours and transitional employment positions we have for community members in need. This would negatively impact the skills training and prospects for competitive employment for many Oakland residents. We are concerned that such a wage imposition will greatly dampen or prevent employers from taking a chance on someone who has barriers to employment. A sudden increase in minimum wage would not only mean that we would be forced to decrease our paid training services, but would also diminish our capacity to provide those in our programs with competitive employment placement as the proposed ordinance does not encourage or provide a means for employers to take chance on someone facing challenges.

Our model focuses on helping those who cannot secure competitive jobs gain the skills they need to maintain sustainable, permanent employment as well as stabilize their lives through our case management and life skills training. Many Oakland residents are still struggling with poverty and multiple barriers to employment, and Goodwill is often the only employer who will initially take a chance on these community members, particularly those with a history of incarceration and lack of work experience. We support the intent of raising the minimum wage to help people out of poverty, but believe that keeping those in need from work does not accomplish that. The unintended consequences of such a drastic measure may very well result in the closure of programs for residents very much in need of support services and actually increase the gap between those who are currently unemployable and those who can secure competitive employment to support themselves and their families.

Given our mission, we are also dedicated to providing a career ladder for participants, as most permanent jobs in our donations and retail social enterprise are held by former program participants. In fact, all three of our county directors started as job training participants. This means that while participants may come into our program receiving training at minimum wage, they can quickly progress to making living wages and even creating careers through our agency. Goodwill is also working to expand our social enterprise by opening new stores and donation centers, thus creating more permanent jobs and training positions in the East Bay.

We respectfully request that you enact a sustainable alternative minimum wage policy for Oakland so that people with barriers to employment can get a fair shot at local jobs. We also ask that you consider an exemption for job training positions so that agencies like Goodwill can continue to help transform the lives of Oakland residents and continue to help them gain self-sufficiency by providing paid training at the state minimum wage. We greatly appreciate your consideration. If you have any questions or would like to visit our headquarters in Oakland to see first-hand our programs in action, please feel free to call me directly at (510) 698-7220 or contact Kimberly Scrafano, Vice President of Development & Community Affairs, at (510) 698-7223 or via email at kscafano@eastbaygoodwill.org.

Thank you very much.

Sincerely,
John B. Latchford
President & CEO
Goodwill Industries of the Greater East Bay

Kimberly Scrafano
Vice President, Development & Community Affairs
Goodwill Industries of the Greater East Bay
1301 30th Avenue
Oakland, CA 94601
Direct: (510) 698-7223



Goodwill Industries
Serving the Greater East Bay since 1919

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McElhaney, Lynette

From: Corinne Jan <corinnej@fambridges.org>
Sent: Wednesday, July 16, 2014 5:36 PM
To: Kalb, Dan; Kernighan, Pat; McElhaney, Lynette; Schaaf, Libby; Gallo, Noel; Brooks, Desley; Reid, Larry; Kaplan, Rebecca
Cc: Quan, Jean; bleslie@oaklandchamber.com; Monica Lau; Teresa Mark; Denver Yu; Jenny Szeto; barbara lannin; Chris Tom; danny wan; derek kam; Joseph T. Yew Jr.; Mei Chow-Kwan; sister patty creedon; Tracy Tomcowicz
Subject: Opposing Lift Up
Importance: High

Dear Honorable City Council:

I am very concerned about Councilmember Schaaf's comments made at the CEDA special meeting held on July 8 supporting Lift Up. She indicated that doing the right thing is hard, but that Lift Up is the right thing. Those of us who have been fighting for the rights of our constituents to achieve economic independence for decades also agree this is the right thing. But given the particular conditions of Lift Up, it's not going to be hard to comply, but simply impossible. Here is why:

Family Bridges has 130 employees. We serve 10,000 monolingual low income Asian immigrants each year through our 6 sites that include two adult day healthcare centers, two drop in senior centers, a childcare center and a social services center. We have been serving this community since 1968.

The minimum wage boost to \$12.25/hour in March 2015 will cost us an additional \$1.5 million dollars! 80% of our programs receive Medi-Cal funding and as it stands, this funding continues to dwindle and threaten our survival. Please note that the Medi-Cal reimbursement rates continue to be the lowest in the country ranking at last count, 47 out of 50. A minimum wage boost to \$12.25/hour, means an increase of 36% plus payroll tax and workers' compensation at 10% for a total increase of 46% for Family Bridges' projected salaries for 2015. More often than not, over the last decade, we have had to withhold merit increases, implement furloughs and pay cuts to sustain our services.

My board knows there is no way we can survive this drastic increase. How do you expect us to 'get ready'? As long as non profits like us receive government fixed and low reimbursement, we cannot 'get ready'. The irony here is that services for the really poor and underserved will cease to exist so while we did the right thing for wage earners, we sacrificed our homeless, indigent, and uninsured, in the process.

That doesn't sound 'right' to me. Please find a way to rally your fellow council members to support Councilmember Kernighan's and Metro Chamber's alternative 13 in 3 proposal to be placed on November's ballot. Not only could LIFT UP decimate non profits like ours, but will be detrimental to our City's economic integrity that is supposedly on its way back to health.

Corinne Jan, RN, PHN
Chief Executive Officer
Family Bridges, Inc.
510-839-2270 ex 201

