

# Memorandum

## City of Lawrence

### City Manager's Office

TO: Tom Markus, City Manager  
FROM: Britt Crum-Cano, Economic Development Coordinator  
CC: Diane Stoddard, Assistant City Manager  
Casey Toomay, Assistant City Manager  
Sherri Riedemann, City Clerk  
Toni Wheeler, City Attorney  
Lori Carnahan, Human Resources Manager  
Date: January 30, 2018  
RE: 2018 Wage Floor

Pursuant to the City's Tax Abatement Policy, Section 3.6 Property Tax Abatement Wage Floor, the wage floor may be met by paying a wage equal to one hundred thirty percent (130%) of the federal poverty threshold for a family of three persons, as established by the United States Department of Health and Human Services. The wage floor shall be adjusted annually, and the City shall notify, in writing, those businesses that are affected by any change to the wage floor. The amount of the wage floor for the current year shall be available to those requesting it from the Office of the City Manager.

The wage floor hourly wage is adjusted annually based on an annual wage "equal to one hundred thirty percent (130%) of the federal poverty threshold for a family of three (3), as established by the United States Department of Health and Human Services." The 2018 HHS Poverty Guidelines, effective January 18, 2018 in the Federal Register<sup>1</sup>, establish the poverty level for a family of three at \$ \$20,780. Therefore, the wage floor hourly wage will increase from \$12.76 in 2017 to \$12.99 in 2018. ( $\$20,780 \times 1.3 = \$27,014/2080$  hours in one year = \$12.99/hour).

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<sup>1</sup> Source: 2018 Poverty Guidelines for the 48 Contiguous States and the District of Columbia, Federal Register by the Department of Health and Human Services (HHS). Poverty guidelines updated periodically in the Federal Register by the U.S. Department of Health and Human Services under the authority of 42 U.S.C. 9902(2). Retrieved 1-30-18 from: <https://aspe.hhs.gov/poverty-guidelines>

Below is a summary of the wage floor amounts since the inception of Ordinance 7706, and later Ordinance 8384:

<b>Wage Floor Amounts by Year</b>			
<b>Year</b>	<b>Wage Floor</b>	<b>Year</b>	<b>Wage Floor</b>
2018	\$12.99	2010*	\$11.44
2017	\$12.76	2009	\$11.44
2016	\$12.60	2008	\$11.00
2015	\$12.56	2007	\$10.73
2014	\$12.37	2006	\$10.38
2013	\$12.21	2005	\$10.06
2012	\$11.93	2004	\$9.79
2011	\$11.58	2003	\$9.53

\*2010 remained at 2009 level