



Exemption Criteria for Nonprofit Organizations Adopted, January 19, 2010

**Cornell School
of Industrial &
Labor Relations**
Lou Jean Fleron

**Coalition of
Black Trade
Unionists**
*Marsha
Olcheswski*

**Network of
Religious
Communities**
*Merle Showers
James Anderson*

**WNY Area Labor
Federation**
Robert Hellwitz

**Homeless
Alliance of WNY**
William O'Connell

**Buffalo Niagara
Partnership**
Craig Turner

**Common
Council**
Joseph Carriero

**Office of the
Mayor**
*Tanya Perrin-
Johnson*

Counsel
*Stephen Halpern
Sam Magavern*

The Commission's objective in crafting these recommended policy guidelines is to provide consistency in applying the ordinance to specific cases, articulating policy guidelines that are compatible with prior actions of the Commission in the implementation of the City's Living Wage Ordinance, as well as useful in providing a framework for current and future applications.

The following guidelines reflect the consensus of the Living Wage Commission:

1. As a general rule, in considering an exemption, one should balance the gain to the workers and the community from the payment of a living wage against any potential harm to the nonprofit and its ability to serve the community. One should also consider any possible costs to the City, but with the recognition that greater costs to the public in the form of higher contract costs may be offset completely by savings to the public in public assistance costs and other public costs associated with poverty.
2. Structured on-the-job training, career development, licensing and certification programs, youth employment programs, welfare-to work programs, and enhanced employment opportunities for entry level and disadvantaged workers can be considered of added value to employees and to the City, consistent with the purpose of the Living Wage Ordinance to reduce poverty and promote family sustaining employment opportunities. Only those employees within such educational initiatives should be considered eligible for exemption from living wage rates.
3. Financial status of the nonprofit organization (nature and flexibility of nonprofit's funding sources, including City and other governmental sources) should be considered in making exemption determinations. Temporary or partial exemptions may be granted in cases where the wage requirements will cause substantial layoffs or cause a substantial hindrance in the ability of the nonprofit to deliver services to the City and the community. A nonprofit request for exemption on financial grounds requires full disclosure of the organization's budget and finances, including detailed documentation of the financial impact that paying the living wage would have on the nonprofit.

4. One factor in assessing the financial ability of the nonprofit organization to pay the living wage should be relative compensation: the overall pay scale of the organization and the ratio of the highest paid employees to the lowest paid employees.
5. Exemption from the living wage requirements (for nonprofits as for for-profit contractors) cannot be justified merely in order to reduce labor costs of municipal services, thus substituting lower-paying jobs for living wage public employment. In its overall operation, the City must budget and secure funding sufficient to cover the costs of providing services with labor that is paid a living wage or above.
6. Nonprofit exemptions should not exempt the organization from all requirements of the Living Wage Ordinance under the City's contracting procedures. Rather, they acknowledge the organization's obligation to provide quarterly reports of employment and compensation to the Living Wage Commission, and to assure that partial or phased-in exemptions granted are properly monitored by the Commission.
7. There is no provision in the City of Buffalo Ordinance nor compelling experience with its implementation that would suggest that minimum contract value and number of employees should be different for contractors based on their nonprofit or for-profit status. Therefore, the minimum legal contract thresholds remain \$50,000 and 10 employees.