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AIRPORTS COUNCIL
INTERNATIONAL

DEPT. OF TRANSPORTATION
DOCKETS

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May 15, 2000

U.S. Department of Transportation Dockets
Docket No. FAA-1999-6673 - 38
400 Seventh Street, SW
Room Plaza 401
Washington, DC 20590

RE: FAA-1999-6673

Certification of Screening Companies; Proposed Rule

Thank you for the opportunity to comment on the Certification of Screening Companies; Proposed Rule.

ACI-NA is taking this opportunity to supplement our initial comments on the proposed rule to ensure that FAA is made aware of a specific concern expressed by one of our member airports. Additionally we wish to notify FAA of our support for the position expressed by the San Francisco International Airport (SFO) in their response to the proposed NPRM (enclosed).

In recognition of the need to improve the quality of personnel hired and retained to perform passenger and baggage screening, SFO has instituted a "Quality Standards Program." The express purpose of the Quality Standards Program is to establish and implement quality personnel standards that will serve to enhance the security and safety of SFO. The program applies to any firm, including airline and concession tenants and third party vendors, which employ personnel involved in performing services with directly impact safety and/or security.

ACI-NA has long been an advocate of tailoring security programs and threat response plans to local circumstances. Many state and local governments currently require persons who wish to provide security services to meet specific hiring and training criteria. Therefore, we strongly support SFO's statement that it is imperative that local airport operators retain the ability to enhance minimum federal standards with locally imposed requirements as warranted by local

circumstances. We also reiterate the request made by SFO to have FAA clarify this point in the final rule as published.

Again thank you for the opportunity to provide comments on the proposed rule. We look forward to working with you to implement the final rule.

Sincerely,

A handwritten signature in black ink, appearing to read 'B. Wilson', written in a cursive style.

Bonnie A. Wilson
Vice President
Airport Facilities & Services



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May 4, 2000

Federal Aviation Administration
U.S. Department of Transportation Dockets
Docket No. **FAA-1999-6673**
400 Seventh Street SW
Room Plaza 401
Washington, DC 20590

Re: Notice of Proposed Rulemaking on Certification of Screening Companies, 65 Fed. Reg. 560 (January 5, 2000)

Thank you for the opportunity to comment on the Notice of Proposed Rulemaking on Certification of Screening Companies.

The San Francisco International Airport (“SFO” or “Airport”) is the fourth busiest airport in the United States in terms of originating and departing passengers and the eighth busiest in the world. In the last fiscal year over forty million passengers were handled at SFO. Not only does the Airport serve as a primary West Coast hub for domestic air travel, but it also represents a key international gateway for travel to Europe and Asia. In September, the Airport will open a new international terminal more than doubling gate capacity (from 10 to 24). SFO’s international **enplanements** are estimated to grow at a rate of 7-9% percent over the next 5 years. Given the Airport’s prominence in the global air travel **infrastructure**, SFO takes its security responsibilities very seriously and recognizes that **airport** security screening represents a vital link in maintaining overall aviation security. Thus, SFO welcomes the FAA’s efforts through the proposed rulemaking to improve the screening of passengers, baggage, and cargo at our nation’s airports.

The establishment of minimum standards and training requirements through the proposed certification program for screening companies will further the important goal of continually improving the safety of air travel. The program will **help** to ensure that quality screening personnel are hired, are adequately trained, and that their screening skills are regularly monitored and improved. Accordingly, SFO **looks** forward to **the** issuance of the rule in final form and encourages the FAA to **do** so as soon as possible.

SFO shares the safety concerns underlying the proposed rulemaking as reflected in the accompanying Notice and in the cited Final Report of the White House Commission on Aviation Safety and Security and the Domestic **Security**

AIRPORT
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AIRPORT DIRECTOR

Baseline Final Report issued by the Aviation Security Advisory Committee. Indeed, the problems of high turnover and low morale among individual screeners are no more keenly felt than at SFO, where screeners are struggling to earn a living in one of our nation's most expensive metropolitan areas.

As reflected in the attached news reports and other articles, the cost-of-living in the Bay Area is significantly higher than the national average. In fact, according to some estimates, the cost-of-living in the San Francisco Bay Area places it among the five most expensive cities in the United States. In April of 1998, the Association of Bay Area Governments estimated that a single parent with a preschool child would need to earn \$14.50 per hour in order to live in San Francisco. This contrasts with an average, entry-level wage of \$6.40 per hour for screener personnel working at SFO.

SFO agrees with the FAA finding that the high turnover rates among screener personnel can be attributed, at least in part, to the low wages and minimal benefits received by such individuals. As the Notice acknowledges, "screeners repeatedly state that low wages and minimal benefits, along with infrequent supervisor feedback and frustrating working conditions, cause them to seek employment elsewhere" 65 Fed. Reg. at 563. Studies of European screening programs suggest that higher compensation contributes to lower turnover rates and more effective screener performance. *Id.*

The effect of a particular compensation level on turnover rates will, of course, vary depending upon the local cost-of-living conditions. Thus, it is perhaps not surprising that at SFO the turnover rates for screener personnel are quite high. In fact, it is estimated that more than half of all screeners at SFO have been on the job less than one year. Further, for new security screeners hired at SFO in 1999 it was estimated that the average length of employment was only six weeks. Although SFO remains a safe and secure airport, such turnover rates among screener personnel can, as the FAA points out in the Notice, result in compromises to that safety and security. Increased turnover necessarily means decreased experience among screeners which, in turn, can result in missed threat detections. Additionally, low wages that promote high turnover also result in the inability of screening companies to achieve and maintain maximum staffing. This typically results in under-staffed checkpoints with inexperienced personnel that in turn contribute to lower threat detection.

Given the unique problems facing screeners trying to make a living in the Bay Area and the resulting high turnover rate among such screeners, the Airport Commission recently adopted a Quality Standards Program directed at immediately addressing these concerns. A copy of this Quality Standards Program is attached to these comments. The express purpose of this Program is to establish and implement quality personnel standards that will serve to enhance the security and safety of SFO. In furtherance of that goal, the Program applies to any firm, including airline and concession tenants and third party vendors, which employ personnel involved in

performing services which directly impact safety and/or security. The standards established by the Program focus on four general areas: (1) hiring practices; (2) training; (3) equipment standards; and (4) compensation and benefits. With respect to compensation, the Program requires that screener personnel be paid a minimum hourly wage of **\$9.00** with benefits including medical insurance coverage and prescribed paid and unpaid days off, or **\$10.25** without benefits. The standards became effective April 1, 2000 for third-party entities such as screening companies. On June 1, 2000, third party skycaps and checked baggage handlers will be included, and the Program will become effective for the airlines and concessionaires on October 1, 2000.¹ When fully implemented, these wage increases will represent an approximate 60 percent increase over existing wage levels for screener personnel.

While the training and equipment standards for screeners established by the Program simply require that covered parties comply with applicable federal and state law, the Program's required hiring practices (also referred to as employment standards) supplement currently applicable federal law by providing, for example, that employees possess effective verbal communication skills, have the ability to assess complex or unusual situations, and successfully pass 85% of tests of the employee's detection and/or judgment skills. In addition, the Program includes various management and oversight provisions that further supplement applicable federal requirements.²

Despite the recent implementation date for the first part of the Program, SFO is pleased to report that already turnover rates among screener personnel in the last couple of months since the Program's adoption have dramatically decreased. This is likely due to anticipation among screeners of the implementation of higher wages, etc. that will accrue once the Program becomes effective. Based upon this initial response, SFO is confident that the Program will be highly successful in addressing the pressing problems facing the screening program at SFO and, thereby, lead to enhanced safety and security at the Airport.

Prior to implementing the Quality Standards Program, the Airport reviewed the concept with FAA representatives. In fact, we believe SFO's Program shares many of the positive elements contained in the proposed rulemaking under consideration.

SFO brings its recent local efforts to improve the security and safety associated with screeners to the FAA's attention during this proposed rulemaking for two reasons. First, these efforts illustrate the effectiveness of higher standards and wages in improving screener retention and morale; thus, underscoring the need for

¹ The Quality Standards Program was adopted on December 7, 1999 by the S.F. Airport Commission.

² In addition to the Benefits and Compensation provisions, the Program standards applicable to screeners are those set forth in Attachment A to the Quality Standards Program ("Covered Employers Impacting Security").

minimum screener standards at the federal level. Second, given the unique economic challenges faced by screener personnel in the Bay Area, it is imperative that SFO, as well as other local airport proprietors with similar problems, retain the ability to supplement these minimum federal standards as warranted by local circumstances. Accordingly, SFO seeks clarification from the FAA that such local initiatives, to the extent they serve only to enhance any applicable minimum federal standards, will not be preempted by this proposed rulemaking.

It is imperative that local airport proprietors retain the ability to address safety and security issues unique to the circumstances of the given locality in which an airport operates. As the FAA has reported, while screener turnover rates are unacceptably high nationwide, there is significant variation among airports, with some airports reportedly facing reported turnover rates in excess of 100 percent. Such localized circumstances may warrant a focused, narrowly tailored response in order to maintain a sufficient level of security and safety nationwide. Given the national, and, indeed, global scale of modern air travel and potential threats, the safety and security of our aviation system is only as secure as its weakest link. A regulatory environment consisting of minimum federal standards, subject to enhancement at the local level as warranted by local circumstances, will ensure the continued safety of that system.

SFO appreciates the opportunity to comment on the proposed rulemaking and commends the FAA for its continuing efforts to ensure the safety of our skies. The proposed rulemaking will serve to further that goal. However, minimum federal standards may not be enough under some circumstances. Thus, it is imperative that there be no barriers to local initiatives that serve only to enhance and are not inconsistent with any applicable federal standards by addressing the unique security concerns generated by local circumstances. The proposed rulemaking would benefit by clarification from the FAA on that issue.

Very truly yours,



John L. Martin
Airport Director



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Quality Standards Program

AIRPORT
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April 4, 2000

Overview

The San Francisco Airport Commission has adopted the Quality Standards Program (the “Program”) as referenced in the Airport Rules and Regulations. The Program is being implemented to enhance the security and safety a San Francisco International Airport. The Program applies to any firm, including airline and concession tenants and third party vendors (collectively, “Covered Employers”) which employ personnel involved in performing services which directly impact safety and/or security.

The Program is part of Airport Rules and Regulations. Covered Employers will still be required to be in compliance with all other applicable Airport operating requirements, including those in their respective leases and permits, Rules and Regulations, and Airport Directives.

General Standards

The Program will focus on four general areas:

<u>Section</u>	<u>General Standards</u>
• Hiring practices	High School Diploma or equivalent work experience. English proficiency
• Training	Initial Training Program, Recurrent Training Program and record retention guidelines
• Equipment standards	Routine maintenance program Response time for non routine maintenance A User Check Log
• Compensation	Minimum hourly wage of \$9.00 with Benefits; \$10.25 without Benefits

Types of Employees Covered by the Program

The Program is applicable to employees of Covered Employers who: (1) require the issuance of an Airport badge with AOA access, and work in and around the AOA in-the performance of their duties; or (2) are directly involved in passenger and facility security, including checkpoint screening, passenger check-in, skycap and baggage check-in and handling services, and AOA perimeter control. The Program is applicable to all existing Covered Employers as well as new entrants.

Those Impacting Security

Employees in this category include those directly engaged in performing checkpoint security screening, passenger check-in activities, skycap and baggage check-in and handling services, and AOA perimeter control.

Part 108 of Federal Aviation Regulations (FAR) governs air carriers and their Covered Employers and sets forth basic quality standards for all areas outlined above except compensation. Airport Staff has developed enhanced quality standards for Covered Employers in this category to ensure the highest level of security at San Francisco International Airport. Standards will be deemed updated to reflect changes in FAR Part 108 or other changes to FAR which may be pertinent to the application of this program to covered employees.

Standards for Covered Employers in this category are on Attachment A.

Those Impacting Safety

Employees in this category include those directly engaged in activities which may impact safety within the AOA. These employees include but are not limited to the following:

- ▲ Employees providing ramp handling functions, including aircraft cleaning, fueling, and baggage/cargo handling
- ▲ Employees operating catering vehicles regularly on the AOA for the purpose of servicing aircraft
- ▲ Other employees issued an Airport badge with AOA access working in and around the AOA in the performance of their duties

Standards for Covered Employers in this category are on Attachment B.

Effective Dates

Phase I - Third Party Vendors
April 1, 2000

Phase IA - Skycaps and other baggage check-in and handling service employees of third party vendors
June 1, 2000

Phase II - Airlines and Concessionaires
October 1, 2000

Benefits and Compensation

Covered Employers are required to provide a minimum compensation/benefits offering for employees engaged in such services. The implementation of a compensation/benefits package in response to the Program shall **no** result in the reduction of the overall value of the existing compensation/benefits program.

Benefits

- Company paid membership in a group medical plan, at least **equivalent** to the group rate of an HMO membership with the most members in California. (This benefit must become effective no later than 90 days after employment.)
- Twelve (12) paid days off per year
- Ten (10) days of **un-paid** leave per year
- Paid and **un-paid** days off may be accrued during the first year of employment
- All paid leave must be exhausted prior to use of **un-paid** leave

Compensation

Compensation must achieve the following minimum levels:

	<u>Date</u>	<u>With Benefits</u>	<u>Without Benefits</u>
Phase I	Apr 1, 2000	\$ 9.00 per hour	\$10.25 per hour
Phase IA	Jun 1, 2000	\$ 9.00 per hour	\$10.25 per hour
Phase II	Oct 1, 2000	\$ 9.00 per hour	\$10.25 per hour
All	Jan 1, 2001	\$10.00 per hour	\$11.25 per hour

- Following January 1, 2001 the Minimum Compensation Level will be adjusted annually in accordance with the Bay Area Cities – Consumer Price Index
- Adjustments to the minimum, based on October data, will be effective January 1st of each year thereafter
- The first such CPI adjustment will be effective January 1, 2002

Process

Certification

A certification process will occur in which all of the criteria outlined on Attachments A and/or B will be reviewed with each Covered Employer. Airport staff will conduct the review.

Third Party Vendors

When staff is satisfied that a Covered Employer in this category is in compliance with the Program an operating permit will be issued. Any airline desiring to contract for these types of services with a third party vendor that has not yet been certified must contact Aviation Management to begin the review process. The operating permit will outline the permitted service; as well as the conditions under which business must be conducted at the Airport.

Airlines and Concessionaires

Lessees, permittees and concessionaires are required to comply with the Airport Rules and Regulations, including the Program, pursuant to their respective agreements.

Annual Certification and Audit Rights

On or before April 1st of each year, each Covered Employer shall deliver to the Airport Director a statement certifying that it is in compliance with the Program. The Airport reserves the right to review and audit such compliance at any time. Airport staff will conduct all audits to ensure continuing compliance. If at any time a Covered Employer is found to be out of compliance, the Airport will give notice to the Covered Employer and allow a reasonable cure period to address the noted deficiency, unless such deficiency is considered an endangerment, at which point operations must cease until the deficiency is corrected. Such notice to third party Covered Employers will include a copy to all known airlines contracting for the Covered Employer's service at the Airport.

Default

Any non-compliance with the Program will be considered a default under the Covered Employer's agreement with the Airport. If the default is not cured within the time period specified in the Airport's notice the Airport may exercise all remedies available to it including but not limited to the imposition of fines and the termination of any and all agreements with the Airport.

Non-Compliance

Upon receipt of any notice of non-compliance with the Program, the Covered Employer must promptly take action to cure such non-compliance. If the non-conformance is not cured within the time period specified in the Airport's notice the Airport may exercise all remedies available to it including but not limited to the imposition of fines and the termination of any and all agreements with the Airport.

Fines

If a Covered Employer defaults with respect to any requirement of the Program, the Airport Director may elect to impose a fine equal to \$200.00 per violation, per day. The Airport's right to impose such fines shall be in addition to and not in lieu of any and all other rights available to the Airport. Such fine amount may be increased from time to time at the discretion of the Airport Director.

Timeline

March 2000	Issue Operating Permits for certified third party vendors
April 2000	Begin certification process for Airlines and Concessionaires
April 1, 2000	Effective date of Phase I implementation of Program
June 1, 2000	Effective date of Phase IA implementation of Program for skycaps and other baggage check-in and handling service employees of third party vendors
October 1, 2000	Effective date of Phase II implementation of Program.

Attachment A

Quality Standards
Covered Employers Impacting Security

NOTE: These requirements match Federal regulatory requirements unless otherwise noted.

1. Hiring Practices (Employment Standards)

- a. High School graduate, GED, or a combination of education and experience that equip the candidate to perform the screening function.
- b. Has basic aptitudes and physical abilities including visual and aural acuity, color perception and motor skills.
- c. Demonstrates current knowledge and skills necessary to courteously, vigilantly and effectively perform screening functions.
- d. Ability to hear and respond to the spoken word in the work environment.
- e. Ability to read, speak and write in English.
- f. Ability to understand, provide direction and answer questions from English speaking patrons.
- g. * Verbally communicates effectively and understandably with members of the public, emergency response operators, law enforcement personnel, and supervisory personnel in the English language under high-stress conditions such as security breaches. Continually demonstrates this ability to make appropriate common-sense judgmental decisions on the basis of these instructions or criteria.
- h. * Ability to assess complex or unusual situations and refer issues appropriately to superiors for their guidance or decision.
- i. * Successfully passes 85% of tests of the employee's detection and/or judgmental skills. A Remedial Testing Program is provided for employees involved in checkpoint failures.
- j. * Is consistently firm but tactful; stands his/her ground in accordance with instructions. Is not swayed by apparent rank or economic status of persons subject to his/her decisions.

Attachment A

Page 2

- k. * Demonstrates a satisfactory ability to observe, and report, pertinent details of an incident accurately, consistently, and completely. Such details may include, but are not limited to, physical descriptions of persons and their attire, vehicles including license numbers and other descriptive information, directions taken by such persons and vehicles beyond the employee's post, description of actions taken by the subject and the employee in a chronological sequence.

(* Designates Airport Standards complimenting current FAR requirements:

2. Training

- a. Employee must attend and pass annual training as specified in FAR 108 and/or airline's FAA-approved Security Program.
- b. Employers must provided training as specified in airline's FAA-approved Security Program.
- c. Employer maintains current employee training records as specified in FAR 108 and/or airline's FAA approved Security Program.

3. Screening Equipment Standards (applicable to check point screener employers)

- a. Uses equipment as approved and specified in airline's FAA approved Security Program.
- b. Complies with Federal and State radiation safety requirements.
- c. Maintains equipment as specified in airline's FAA approved Security Program.

4. Management and Oversight

(All are Airport Standards complimenting FAR requirements)

- a. Each covered employer shall establish and carry out an internal quality assurance program to include:

Attachment A

/Page 3

- (i) A procedure to monitor performance, including incident reports and personnel feedback, to identify existing problems or potential causes of problems, in assigned security duties.
 - (ii) A procedure for corrective action to ensure that existing problems that have been identified are corrected.
 - (iii) A procedure for preventive action to ensure that potential causes of problems that have been identified are remedied.
 - (iv) An internal audit program to audit the Covered Employer's organization for compliance with (1) Federal regulations and security programs and (2) Airport requirements.
 - (v) Unless otherwise authorized by the Airport, a director of quality assurance who is independent from operations and training functions and who manages the quality assurance program.
- b. As part of its quality assurance program, the Covered Employer shall test and evaluate the performance of its personnel operating at the Airport, and shall secure the Airport's approval of the frequency and the manner of such tests and evaluations. Test and evaluation protocols conducted in compliance with Federal Aviation Regulations (FAR) and FAA-approved security programs need not be submitted for Airport approval, other than an annual letter to the Airport certifying the Covered Employer's compliance with Federal requirements and referencing each such Federal requirement.
- c. When a Covered Employer using Airport-provided systems or facilities (e.g., access control mechanisms or gates) in the conduct of its contracted security duties experiences a failure of any such systems or facilities, the Covered Employer shall immediately (i.e., moment of knowledge) advise both the Airport and its client of such failure and of those interim measures being taken by the Covered Employer pending repair or replacement of such systems or facilities.
- d. Annually, and upon change of assignment or required information, the Covered Employer shall identify to the Airport the name, address, telephone, and fax numbers, and e-mail address if applicable, of a regional or corporate employee performing the quality assurance functions identified above.

Attachment B

Quality Standards **Covered Employers Impacting Safety**

1. General

- a. Provide a site (on or adjacent to the Airport) for scheduled and unscheduled repairs and maintenance of company equipment.
- b. Secure Airport approval for an area to stage equipment when not in use.
- c. Supply airport with names, titles and 24 hour phone number of Management and shift supervisory personnel.
- d. Will be subject to the provisions/standards contained in the Airport Vehicle Audit Oversight Program.

2. Hiring Practices

Education: High School graduate, GED, or an equivalent combination of education and experience.

- a. Meet all ADA and EEO requirements
- b. Pass Airport FAA approved SIDA (Security Identification Display Area) training.
- c. Be physically fit to perform the duties of the job.
- d. Possess valid California Drivers License
- e. Successfully complete all Airport License and Permit Bureau requirements (tests) to obtain Airport AOA driving privileges.
- f. Cannot have a reckless driving or DUI conviction within previous 24 months.

3. Training

Must have an approved New Employee Training Program that includes Airport Rules and Regulations governing:

- a. Vehicle operations
- b. Aircraft Operations
- c. Hazardous Materials handling procedures
- d. Litter, FOD, and debris control

Training program must also include:

- a. Ground Service Equipment operation
- b. Safe driving on the AOA (video)
- c. Interline baggage operations
- d. Training on provisions of Airport Vehicle Impound Program
- e. Fueling procedures

Attachment B

Page 2

Recurrent Training

- a. Must conduct recurrent training on a minimum of an annual basis
- b. Must conduct safety meetings on a minimum of a monthly basis

4. Equipment Standards

Maintenance – Must have a GSE (Ground Service Equipment) Preventative Maintenance Program that includes the following:

- a. Periodic safety inspection schedules for each type of motorized **equipment**
- b. Procedures for taking mechanically unsound equipment “out of service”
- c. Daily User Check Program for each type of motorized equipment. This checklist must include provisions for inspection of:
 - Tires
 - Head, tail and brake lights
 - Horn
 - Parking brake
 - Handrails and guards
 - Walk-around fluid leak check

Maintain all GSE maintenance records for a minimum of twenty-four (24) months.
Inventory – Provide the Airport’s License and Permit Bureau an inventory listing of all motorized equipment.

5. Management and Oversight

Each Covered Employer shall establish and carry out an internal quality assurance program to include:

- a. A procedure to monitor performance, including incident reports and personnel feedback, to identify existing problems or potential causes of problems, in assigned security duties.
- b. A procedure for corrective action to ensure that existing problems that have been identified are corrected.
- c. A procedure for preventive action to ensure that potential causes of problems that have been identified are remedied.

Attachment B

Page 3

- d. An internal audit program to audit the Covered Employer's **organization** for compliance with (1) Federal regulations and security programs and (2) Airport requirements.
- e. Unless otherwise authorized by the Airport, a director of quality assurance who is independent from operations and training functions and who manages the quality assurance program.

Annually, and upon change of assignment or required information, the Covered Employer shall identify to the Airport the name, address, telephone, and fax numbers, and e-mail address if applicable, of a regional or corporate employee performing the quality assurance functions identified above.

1ST STORY of Focus printed in FULL format.

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The San Francisco Chronicle

MARCH 11, 1998, WEDNESDAY, FINAL EDITION

SECTION: NEWS; Pg. A13

LENGTH: 636 words

HEADLINE: Silicon Valley's Poor Go Hungry In Good Times
Food banks busy as needy face chronic shortage, **su**

BYLINE: **Carolyn Zinko**, Chronicle Staff Writer

DATELINE: SANTA CLARA

BODY:

Food banks report that they are serving more people than they were five years ago, that in some counties, nearly half those being served are children under 18, and that the poor are getting poorer -- even in Silicon Valley.

A local study conducted by the Second Harvest Food Bank of San Mateo and Santa Clara counties found that some clients are paying an alarming 70 percent of their income for housing.

"We're looking at revising our client eligibility guidelines because of the high housing costs," said Mary Ellen Heisinger of the Second Harvest Food Bank, which surveyed 700 of its 104,000 monthly clients. "We have to look at what a minimum wage of \$ 5.65 an hour means to someone in the Bay Area. Maybe if you're in Alabama you can live on it, but not here."

For many, food stamp benefits do not last an entire month, causing them to miss meals and choose between buying food or paying for rent or medical care.

"I think for the most part, the economy is not getting better, said John King, a 48-year-old auto refinisher outside St. Anthony's Padua Dining Room in Menlo Park, where he gets bread and vegetables once a month to help feed his family. "Middle management jobs are drying up and guys have to work two jobs now, especially with the higher cost of living."

In Santa Clara County, the client base is increasingly Vietnamese -- legal immigrants cut off from general welfare rolls, said Heisinger.

Another study released the same day shows that of 1,900 people interviewed during the past year, many live in poverty -- less than \$ 14,000 a year, relied on emergency food programs for more than a year and experienced health and employment woes that made it hard to improve their lives.

"It's more chronic and less situational," said John Momper, executive



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director for the Alameda County Community Food Bank. 'Our concern is the feeling that there's a trend . . . and that along with welfare reform, there will be less of a safety net to respond when the next economic downturn occurs.'

Alameda joined with the San Francisco Food Bank and the Contra **Costa/Solano** food banks in surveying **1,200** clients. The groups serve more than **250,000** people each month.

The findings of that study were linked to a national survey by Second Harvest, a network of **185** food banks across the nation.

The studies were conducted to collect data on the Bay Area's poorest households before welfare reform and food stamp reduction programs are put into effect.

Fewer than **15** percent of those interviewed in San Francisco, Contra **Costa**, **Solano** and Alameda counties held full or part time jobs. The picture was somewhat better in San **Mateo** and Santa Clara counties, where **41** percent of respondents reported that at least one household member worked.

Findings show that many of those who do hold jobs earned extremely low **wages**:

* In San Francisco, **79** percent of survey respondents earned less than \$ **10,000** a year.

* In Alameda County, Contra Costa and **Solano** counties, about two-thirds of the survey respondents lived on \$ **10,000** a year.

* In San **Mateo** and Santa Clara counties, **91** percent lived on less than \$ **14,000** a year.

Local survey results reflect trends reported in the nationwide Second Harvest survey.

Among the survey findings, more than one-third of all clients were **children** under the age of **18**; more than a third of the households had at least **someone** working **full-** or part-time and more than one-quarter of those surveyed had to choose between medical care, filling prescriptions or buying food.

Nearly one-third of agencies involved in food programs were in suburban areas, reflecting U.S. Census Bureau findings that the low income **population** of suburbs is growing faster than that of central cities or rural areas.

LANGUAGE: ENGLISH

LOAD-DATE: March 11, 1998



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MAY 29, 1999, SATURDAY, FINAL; PENINSULA EDITION

SECTION: NEWS; Pg. A17; MARK SIMON

LENGTH: 736 words

HEADLINE: Let's Call Ours the Costly Coast;

Cote d'Azuring of Hwy. 1: new homes, Ritz-Carlton

BYLINE: MARE SIMON

BODY:

It's not exactly news, but it's another sign of how the growth of Silicon Valley is driving up the cost of life on the Peninsula, once a place of modest homes and relatively modest ambitions.

At a recent town hall meeting in Half Moon Bay, city officials said **they** are processing permits for development projects that would mean the construction of **419** new homes in the city.

Assume an average of three residents per home, and that equals a **10** percent increase in Half Moon Bay's population.

Meanwhile, the median Half Moon Bay home sale price for April was **\$547,500**.

The locals all say **it's** because the Coastside has become a haven for Silicon Valley workers who see themselves priced out of the Palo Alto-Menlo Park market, where a fixer-upper can be **\$800,000** or more.

"They don't mind adding a half-hour to their **commutes,**" said one Coastside resident.

Or adding **\$200,000** to **\$300,000** to the cost of a house on the Coastside.

MEANWHILE I: The Peninsula Congestion Relief Alliance, an organization **backed** by local and regional transit and transportation authorities, is trying to organize a Coastside van pool program. Its phone number is **(650) 994-7924**.

If you form a van pool, the alliance will pay half the monthly cost for the first three months, and they'll pay a driver **\$250** for starting a van pool group.

MEANWHILE II: All the growth on the Coastside -- let's not forget the **266-room** Ritz-Carlton Hotel under construction in Half Moon Bay -- is **causing** the expected complaints from longtime residents that the area is being **ruined**.



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Columnists and letter writers to the Half Moon Bay Review, the **Coastside** weekly newspaper, routinely **kvetch** about the spread of fast-food chain restaurants and businesses.

MEANWHILE III: The Review just published its annual "Best of the Coast" awards based on reader response, and, once again, the award for best **french** fries on the Coastside went to the McDonald's in Half Moon Bay.

As I have plaintively cried in the past, **you'd** think someone on the Coastside would know how to fry a **french**.

MEANWHILE IV: **It's** happening everywhere, of course.

The Shoreline, an independent monthly newsletter distributed to residents of Redwood Shores, the **bayside** community in northern Redwood City, reports that community's first sale of a home for more than \$1 million. But at least the home is on the lagoon.

The good news is that the same issue of the Shoreline featured a story on the Mercedes Benz **2000** S-Class as being quite possibly the best car in the world.

WHAT IT ALL MEANS: Barbara **Maynard**, an Oakland consultant who **specializes** in providing wage and cost-of-living data to public employee unions for use in contract negotiations, has come up with a new way of calculating how expensive it is to live around here, just in case you've grown weary of the old way of calculating.

Maynard has put together what she calls the Inverse Index.

She begins with a cost of living survey. She went to the county seat of every county in the Bay Area and surveyed the one-day price of a gallon of **gas**, a gallon of milk and a carton of eggs. Then she factored in the median price of a home.

The result, she said, is a measurement that shows how far your dollar **goes** in each of the counties in the Bay Area.

It travels the least in San **Mateo**, Santa Clara and **Marin** counties.

According to the Inverse Index, a dollar in San **Mateo** County is worth **only 64** percent of a dollar.

In other words, your dollar buys you only **64** cents worth of what it would buy in a place where a dollar is worth a dollar.

In Santa Clara County, the dollar is worth only **78** percent in buying **power**. In **Marin**, it's **76** percent.

By comparison, a dollar is worth more than a buck in the rest of the **Bay** Area, although in San Francisco the difference is a slight one. A San Francisco dollar buys you **100.6** percent **of** a dollar's worth.

The top county on the Inverse Index is **Solano** County, where the dollar **buys**



126 percent.

What does it all mean?

Well, first of all, there's a real need for quality **french** fries on the Coastside.

Second -- and, again, this is not exactly news -- it costs a lot more **money** to live here than to live in **Benicia**.

On the other hand, I hear the commute from **Benicia** to South San Jose is a killer.

You can contact **Mark Simon** at (650) 299-8071, by fax at (650) 299-9208, or by e-mail at **msimonfsfgate.com**.

LOAD-DATE: May 29, 1999



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The San Francisco Examiner

July 28, 1998, Tuesday; Second Edition

SECTION: NEWS; Pg. A-1

LENGTH: 763 words

HEADLINE: S.F. housing a story of endless shortage

SOURCE: OF THE EXAMINER STAFF

BYLINE: ERIC BRAZIL

BODY:

At the rate San Francisco is adding affordable housing aimed at low- and moderate-income residents, the need will be met in about 50 years, if everything goes well.

But housing activists acknowledge that the housing crisis is close to intractable and that The City is never going to build its way out of it.

Monday's crush of applicants for 34 low-income Tenderloin rentals is but the latest manifestation of the hunger for affordable housing. The Tenderloin Neighborhood Development Corp. plans to make the rentals available in September.

By the end of the day Monday, 212 men and women had submitted their long-shot bids for \$ 375-a-month efficiency apartments and \$ 500 studios in Franciscan Towers at Eddy and Taylor streets. TNDC expects about 1,000 applicants by Friday.

San Francisco's Comprehensive Affordability Strategy, developed five years ago, found a need for affordable housing for about 100,000 low- and moderate-income residents.

Between February 1997 and March 1998, The City created 1,545 units of affordable housing, according to the 1998 "action plan" submitted by the Mayor's Office of Housing to the federal Housing and Urban Development Department.

Units created by rehabilitating and preserving existing buildings far exceeded the amount of new affordable housing built.

The Planning Department says 369 new affordable units were built in 1997, a 7 percent increase over 1996. Between 1993 and 1997, The City added 1,769 affordable units, according to that department's annual housing inventory.

"We cannot keep up with the statistical need, certainly not by doing new construction," said Marcia Rosen, director of the Mayor's Office of Housing;



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hence the multipronged effort to meet the demand by also rehabilitating and preserving existing structures and aggressively pursuing federal financial aid.

"There are almost **2,000** units in our development pipeline, and **we'll** be adding more," Rosen said.

Several of the applicants for **TNDC's 34** apartments were openly **resentful** of The City's apparent unwillingness to accommodate the less than affluent.

As waiter **Shawn O'Brion**, a recent transplant from Miami, said: "**Somebody** ought to kick Mayor Brown in the ass about this situation. I came because I thought, mistakenly, that it was a nicer place than Miami, but Miami is way bigger, way nicer, the rents are way lower, and by comparison it has no homeless. It's no wonder there are so many homeless here."

There is no precise count of homeless people in San Francisco, but **estimates** range from **6,000** to **12,000**. The City pays for **1,150** shelter slots for **single** adults and another **130** for families, and expands its program by **900** units in the winter.

According to the Planning Department, the average rent for a two-bedroom apartment in **1997** was **\$1,600**, a figure that many say seems to have risen this year. The Greater San Francisco Association of Realtors reports that as of June, the average two-bedroom single-family home sold through its Multiple Listing Service cost **\$ 304,536**, while a three-bedroom home cost **\$ 455,372**.

Aware that renters have it tough in San Francisco, the Board of **Supervisors** has decided to clamp rent control on some **8,000** units of federally **subsidized** housing for low-income residents.

And The City's Redevelopment Agency recently revived hopes for creating several hundred units of affordable housing in Mission Bay by voting to **take** on **65** acres north of the Mission Creek channel as a redevelopment project.

But the short-term prognosis for a rapid increase in affordable housing is not good.

"Clinton and Congress have cut back capital and operating subsidies **almost** to the bone," said **Rene Cazenave**, a leading San Francisco housing activist. "**Even** if they change dramatically, what's out there is just enormous, and it takes years to meet what we know is a demonstrated **need**."

About **1,100** live-work units have been created in The City since **1987** and another **1,073** are in the pipeline. But "none of the live-work spaces is affordable," **Cazenave** said.

Surveying the long line of applicants for the **34 TNDC** housing units on Monday, Kelly **Cullen**, **TNDC's** executive director, said, "**It** goes to show you how serious the need is when you get this kind of a crowd for housing at Eddy and Taylor, not exactly the most exciting part of The City."

TNDC, founded in **1981**, is a nonprofit, low-income housing developer that:: owns **14** buildings in the Tenderloin and houses **1,200** San Franciscans in **850** apartments and hotel rooms.



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SEE ALSO **SIDEBAR** (HOUSING PROJECTS)

GRAPHIC: PHOTO 1 (EXAMINER PHOTOS BY PAUL **CHINN**)

Caption 1, Vying for housing, well over 100 people, above, line up Monday on Eddy Street to sign up for a lottery that will determine who will get 34 low-income apartments being made available. At left, **Alonzo McClanahan**, left, and David Stewart fill out rental applications for the apartments.

PHOTO 2

(EXAMINER PHOTOS BY PAUL **CHINN**)

Caption 2, SAME AS PHOTO 1

LANGUAGE: English

LOAD-DATE: July 29, 1998



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The San Francisco Examiner

March 7, 1999, Sunday; Fifth Edition

SECTION: METRO; Pg. D-1

LENGTH: 946 words

HEADLINE: Desperation in demand for a wage to live on ;
Workers tearfully tell S.F. supervisors what it's like to get bare minimum

SOURCE: OF THE EXAMINER STAFF

BYLINE: ERIC BRAZIL

BODY:

Darriel Loggins, born and reared in The City, supports a wife and four children on a minimum-wage job servicing rental cars at San Francisco International Airport. "Trying to pay your bills on \$ 5.75 an hour is very hard," he said.

Single mother Bernadine Emperador, another San Francisco native, earns \$ 600 to \$ 800 a month as an MVP runner and kitchen helper at Candlestick Park, sometimes working 12-hour days. "I just make enough to pay my rent and some of my bills," she said.

R.G. Gaudy, who receives workfare, scrapes by on a \$ 287 grant and \$ 100 a month in food stamps. "We're the most disrespected workers in The City," he said. "I can't afford luxuries like soap and laundry. . . . There's a huge hurdle called survival."

On Saturday, Loggins, Emperador and Gaudy were among dozens of voices edged with desperation amid a standing-room-only crowd in the Board of Supervisors chambers. They lent an urgency to a proposed "living wage" ordinance for The City.

Saturday's two-hour special meeting of the Finance Committee, chaired by board President Tom Ammiano, had all the trappings of a pep rally. Not an opponent was seen or heard as speaker after low-income speaker, labor, public health, religious workers and community organization representatives preached to the choir on the need for the ordinance.

Ammiano, who has made a living wage ordinance his No. 1 legislative priority, set the tone. "Many people work full time and live below the poverty line. . . . No job should pay less than it costs to survive," he said. "Our tax dollars should not be used to subsidize poverty wages."

Under a living wage ordinance, employers, including nonprofits, who do



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business with San Francisco or receive city subsidies in the form of tax credits would have to pay their employees a minimum wage higher than what currently exists. In many cases, a lot higher.

The Association of Bay Area Governments (**ABAG**) estimates that a single parent with one child living in San Francisco needs to earn \$ **14.50** an hour, or \$ **13** with benefits, for a basic standard of living.

Opposition to the proposed ordinance can be expected from segments of **The** City's business community, arguing that an abrupt, disproportionate **increase** in wages could drive firms out of town and prove an insupportable burden on **small** business.

Ammiano said that while **he's** confident some sort of ordinance will be approved, those objections will have to be addressed.

Living wage ordinances have been adopted in **21** U.S. cities and counties, including San Jose and Oakland, where the wage has been pegged at \$ **8.50** with benefits, \$ **9.75** without.

"**We're** not asking for anything revolutionary," said **Josie** Mooney, president of the San Francisco Labor Council and executive director of Service **Employees** International Union Local **790**, which is providing much of the muscle behind the push for a living wage ordinance.

Ammiano, who will carry the ordinance, which is still a work in **progress** as drafters wrangle over its scope, said **he'll** probably introduce it next **month** and that it should be before the board for a vote in June.

Speaker after speaker made the point that San Francisco has become excruciatingly expensive and that the cost of living is driving out blue -**collar** workers.

"**I don't** see how people with a family can make it. I know how hard it **is** for one," said **Nettie** Caesar, a home health care worker for the past **13** years.

"**I've** got holes in my shoes because **I've** got to pay **rent**," said Lester Martin, a detoxification counselor. "**My** car's sitting on the street broken down because I have to pay my utility bills."

Teamsters union member Charles Andrew, a service agent at San Francisco International Airport, said, "This is a great city to live in, but one job doesn't do it anymore. Let's make it affordable."

Some speakers, like **Mikki** Ellis, **39**, said their troubles go below low wages, they can't find work and hope that, somehow, a living wage ordinance might help. Ellis, who subsists on General Assistance, was in tears when she spoke.

"**I** get penalized by GA if I go get a job and I can't get in the PACE **program** because **I'm** not pregnant, **I'm** not homeless and I don't do drugs. I have \$**177** to stretch for two weeks, but I still need toilet paper," she said. "Give me my pride. Give me my dignity. I want to **work**."

If **Ammiano** introduces his proposal soon, the board is going to be **running**



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even with, or ahead of, the task force it said it would activate last **November**. At this point, the task force has just eight of the **15** appointed members **it's** supposed to have and has yet to conduct a meeting.

Pat **Bresli**, executive director of the Golden Gate Restaurant **Associaticn**, who in a brief appearance before the committee simply acknowledged her membership on the task force, said afterward: "**We** want to make sure that the infrastructure is in place if some businesses have to close if there is a living wage ordinance. . . . We need to sit down and research and do an economic study to see that we don't hurt the people we are trying to help."

The living wage ordinance could surface as an important issue in the **mayoral** election.

Mayor Willie Brown, whose alliance with organized labor is well known and durable, has said that he will "**sign** whatever living wage measure . . . reaches my desk."

Mayoral candidate Clint Reilly, political consultant turned real estate magnate, took a tough-on-welfare stance in an interview with **KCBS** radio Saturday, saying he thinks that San Francisco's General Assistance program **is** excessively generous and should be cut across the board.

"**We** have to get **tough**," he said.

GRAPHIC: PHOTO (EXAMINER / LACY ATKINS)

Caption **1**, **Mikki** Ellis, **39**, wipes her face after breaking into tears while speaking at the first public hearing on city legislation mandating a living wage for all workers. Ellis is consoled outside board chambers by Robert **O'Malley**.

LANGUAGE: English

LOAD-DATE: March 08, 1999



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The Ethnic NewsWatch
AsianWeek

May 26, 1999

SECTION : Vol. 20; No. 38 ; Pg. 13

LENGTH: 462 words

HEADLINE: Political Potstickers: A Blank on Reality

BYLINE: Wong, Samson

BODY:

Political Potstickers: A Blank on Reality

BY SAMSON WONG

REALITY CHECK ON LIVING WAGE: To gain the support of the mayor and a majority of supervisors, Board President Tom **Ammiano** this month took a political **reality** check and scaled back the proposed living wage of **\$14.50** without benefits to **\$11** per hour with benefits.

But neither **Ammiano** nor anyone else knows what San Francisco taxpayers **should** pay, and they **don't** have a firm grip on what the workers who would be affected are getting paid now. However, the board soon may yet force taxpayers to fill in a blank check by passing an ordinance that will require city contractors **and** leaseholders to pay a "living wage."

In March, two agencies threw out estimates for what a **\$14.50** per hour wage would cost governments. The Human Services Department estimated that it might cost **\$83** million through city, state, and federal funds. The Health **Department** estimated that it would cost the city **\$192** million. The Coalition estimates that the legislation affects over two-thirds **of 440** non-profits who have **\$250** million in contracts.

So far, Living Wage Coalition members have pointed out that the state's **\$5.75** minimum hourly wage has lost **30** percent of its purchasing power over the past few years, according to coalition member Barry Hermanson, owner **of** an employment agency. And given the high cost of living in San Francisco, the coalition argued until recently that the wage should be more like **\$14.50** for workers with no benefits--which is what a single parent with a preschool child needs to live in San Francisco, according to an April 1998 Association of Bay Area Governments figure that the coalition likes to refer to.

The problem is that no one knows how much of the contractors' workforce fits that description or what most of the workers are actually being paid now. **The** Living Wage Coalition has acknowledged they have no data on what city contractors pay their employees. When pushed for even a ballpark figure, representatives guessed at a figure of **\$7** or **\$8** per hour. That's close to the **\$8.20** that the **ABAG** report said it would take two parents to support themselves



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and a child in the city. Is the number of such households greater or less than the number of single-parent households with one kid, or greater or less than the number of households with no kids and two incomes? No one knows.

Ammiano's \$11 per hour political compromise happens to be just under the average of the **ABAG** figures of **\$14.50** and **\$8.20**. The coalition has said it won't go any lower than **\$10.50**, which is the threshold for General Assistance. **Cut** of the **28** other jurisdictions with living wage ordinances, three Bay Area cities have living wage ordinances lower than **Ammiano's**

ETHNIC-GROUP: Asian/Pacific Island

LANGUAGE: English

LOAD-DATE: October 8, 1999 Oakland (\$8 with benefits and \$9.25 without), San Jose (\$9.50/\$10.75) and Santa Clara (\$10 with benefits).

Though **Ammiano's \$11** is closer to those figures than the **\$14.50** plan, his legislation mandates health insurance or a cash equivalent--which could be substantial. Remember, insurance rates differ from contractor to contractor and from HMO to PPO plan. A small business seeking insurance on the traditional market will, for example, have a higher premium than a big business that can "spread the **risk**" among more employees.

FEEL-COOD ARCUMENTS: So we don't know how much the potentially affected workers are making now, and we don't know how much they'll need on average to survive. We **don't** know how much a living wage will really cost the taxpayers of San Francisco.

Here's what we do know, said immigrant-rights activist Eric Mar: "**It improves** our ability to serve our community."

Like other proponents of the living-wage ordinance, Mar told an **editorial** board meeting at the San Francisco Independent (owned by the same parent company as Asian Week) a lot about dignity and the universally acknowledged high **cost of** living in San Francisco.

"**They** feel better about their jobs--they have more ownership in the agency," said Mar, acting director of the Northern California Coalition of Immigrant Rights, which recently set a **\$13** minimum wage for its own workers. However, his group gets less than **10** percent of its **\$1.7** million annual budget from the city--and thus is less reliant on that source of money than some other **groups**.

Speaking at the same meeting, worker Steve Allen described the tough **life** as one of the City's **6,500** in-home supportive service workers, who average **\$7** per hour. His monthly rent eats up **75** percent of his monthly paycheck, he said, and his savings would last him only two months.

Allen would undoubtedly be among the winners if the living wage **passes**--but entrepreneurs may well be among the losers. A living wage, particularly a **high** one, discourages privatization and leaves tax dollars within City Hall's powerful union workforce of **30,000** service employees.

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Ventura County Star (Ventura County, Ca.)

October 12, 1999, Tuesday

SECTION: Editorials; Pg. B07

LENGTH: 599 words

HEADLINE: State's economy is good for some, but not everyone

BYLINE: Dan Walters
Sacramento Bee

BODY:

By the most obvious measures, California's economy is going gangbusters. Employment is at record high levels and the unemployment rate has tumbled to one of its lowest points in years, causing employers in some sectors to beg for workers. Welfare roles have declined and state coffers are filled with surplus tax funds.

These are not only good times in a historic context, but they stand in stark contrast to the situation a half-decade ago when the state was mired in its worst recession in a half-century and hundreds of thousands of Californians were fleeing to other states.

There is, however, another aspect to California's current prosperity. It's a valuable window into what one might call the structural socioeconomic imbalance. Since anyone with any kind of marketable skill and motivation can be working now, we can determine the extent of the hard-core underclass that's impervious to overall economic conditions.

New evidence that California is evolving into a two-tier society -- one segment reaping the rewards of prosperity and another struggling -- is found in two sections of a recently released Census Bureau report on income and poverty in America.

Nationally, 13 percent of Americans were still living in poverty, as defined by their income levels, in 1998, the Census Bureau says. But California's poverty rate was 16 percent, making it one of the most poverty-prone states in the nation. Only a relative handful of states had higher poverty rates than California: Louisiana, Mississippi, Montana, New Mexico, New York, West Virginia, Arizona and Arkansas.

The Census survey and other studies also confirm that California poverty is concentrated among African Americans and Latinos and especially among children and recent immigrants, both of which California has in great abundance. About a third of all immigrants to the United States settle in California and the state has one of the highest birth-rates in the nation, producing more than a half-million babies every year.

The flip side of the economic coin is found in another segment of the Census



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Bureau report. While other poverty-ridden states tend also to have low median family incomes -- which is as one might expect -- California's median income, **\$40,522**, is substantially higher than the national median of **\$37,779**.

Those numbers tell us that for those participating in California's go-go,, **technology-** and communications-based economy, the money is rolling in. But **for** those who lack skills or motivation, things are as bad as ever, and perhaps worse.

The soaring economy has pushed housing prices upward in urban **communities**, especially those around San Francisco Bay, and made it even tougher for the working poor to put roofs over their heads. In San Francisco itself, working-class neighborhoods are being **gentrified** and low-income residents **are** being pushed out as high-income **yuppies** move in, touching off an intense **local** political controversy.

Recent studies by University of California at Davis economists, **meanwhile**, concluded that tightening controls at the U.S.-Mexico border has meant more seasonal immigrants are remaining in California year-round and increasing poverty in small Central Valley farm towns. And a University of California **at** San Francisco study released last week found **13** percent of California's **working** families to have incomes below **125** percent of the poverty line with nearly a third of working **Latinos** in poverty.

For most Californians, the dawn **of** the **21st** century may be the best of **t:mes**. But for millions, **it's** still a struggle to survive.

LANGUAGE: English

LOAD-DATE: October 13, 1999



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Los Angeles Times

October 18, 1999, Monday, Home Edition

SECTION: Part A; Page 3; Metro Desk

LENGTH: 915 words

HEADLINE: CALIFORNIA AND THE WEST;
MINIMUM WAGE ISN'T A LIVING IN SAN FRANCISCO;
DEBATE: PROPOSAL TO KEEP WORKERS FROM BEING PRICED OUT OF THE AREA WOULD RAISE
LOWEST PAY FOR CITY-AFFILIATED EMPLOYEES TO \$11 AN HOUR.

BYLINE: ERIC BAILEY, TIMES STAFF WRITER

BODY:

The average home sells for \$720,000. Apartments rent for \$2,000 a month. Even on the best salary, San Francisco is an expensive place to live.

Try it on minimum wage.

Bernadine **Emperador**, 42, often works 60 or more hours a week at an airport rental car job. On Sundays, she sells hot dogs during **49ers** games. Despite the effort, **Emperador can't** afford her own place. She squeezes instead into an apartment with her mother and daughter, a college student.

"I'm constantly working. Every day," she said. "But I have nothing to show for it."

The plight of people like **Emperador** is spurring San Francisco to consider the most ambitious proposal in the nation to boost wages for the working poor.

Under the "living wage" plan, workers at businesses that contract with the city or lease municipal property would see salaries bumped from California's \$ 5.75 minimum wage to \$ 11 an hour, the highest in the United States. As many as 42,000 low-wage employees could reap better salaries.

But the wage debate has whipped up a political furor in a city famous for its liberal leanings.

Business leaders have slammed the proposal, saying it would hit them hard and prompt layoffs, broken contracts and economic turmoil. Cost estimates for the city and businesses range as high as \$ 250 million a year. Some critics say the move could backfire, boosting competition for entry-level jobs and shutting out society's least skilled.



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"We could end up hurting some of the same workers we're trying to help," said Patricia Breslin, executive director at the Golden Gate Restaurant Assn.

The tussle in San Francisco--likely to continue until a Board of Supervisors vote early next year--comes as living wage proposals are gaining acceptance in big cities around the country.

More than three dozen municipalities have already adopted plans, including Chicago, Portland, Ore., and Los Angeles, which set a wage floor of \$ 7.51 in 1997. The nation's loftiest living wage is in San Jose, where workers contracted by city government get \$ 9.50 an hour. An additional 40 cities have proposals in the works, among them Philadelphia and Denver. Santa Monica is considering a \$ 10.69-an-hour living wage.

Few places have as defined a gap between rich and poor as San Francisco. With an influx of Silicon Valley wealth in recent years, the city's housing prices and income levels have skyrocketed.

Left behind are low-wage workers. A recent study found that workers need \$ 22 an hour to afford the typical two-bedroom apartment in San Francisco.

"This is a city shedding its middle class," said Ken Jacobs, campaign director at the Living Wage Coalition, which is pushing the proposal. "The very wealthy live here, and the poor live here. It's a city of haves and have nots. We're entering the Dickensian universe here."

Board of Supervisors President Tom Ammiano, who wrote the measure, sees moral ground at stake. "There's just a lot of people who work for poverty wages who are employed by contractors of the city," Ammiano said. "That just isn't right."

A recent poll commissioned by living wage supporters found 59% of city voters support the salary hikes. Backers suggest any added costs to the city would be offset by a decrease in social services. Organized labor embraces the proposal, which would make it more difficult for nonunion firms to underbid on city contracts.

Just what the salary hikes would cost taxpayers remains in dispute. A UC Berkeley economist estimated that city contractors and tenants at the port and airport would face about \$ 110 million a year in additional wage costs. That's less than half the \$ 254.7-million annual cost calculated by economists at San Francisco State University.

Whatever the price tag, business leaders shudder at the prospect of new wage rules. Among those most worried are restaurant owners leasing municipal waterfront space at Fisherman's Wharf or along the trendy Embarcadero port district.

Breslin said a forced wage increase would put eateries on port property at a competitive disadvantage compared with unaffected restaurants right across the street. She also worries the proposal might be pushed on any eatery in San Francisco that has a city permit for tables along public sidewalks.

Kim King, whose security firm contracts to provide guards for the municipal trolley car line, estimates her costs would rise at least \$ 300,000 a year



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because of boosted salaries. She now pays a \$ **7.25** starting wage. If the city doesn't offset the extra salary costs, she said, "**I** wouldn't be able to do **it**."

The living wage proposal has gleaned mixed reviews from the more than **500** nonprofit groups that provide city services ranging from sheltering the homeless to in-home care for the elderly and ill.

Tom Nolan, executive director at Project Open Hand, said a salary boost **would** cost the food program an extra \$ **400,000**. "**We're** all for a living wage," he said. "**The** question is how do we pay for **it**?"

Jacobs argued that the city has been running budget surpluses in excess of \$ **100** million the last two years and can afford to pass it on to low-wage workers. Business, he said, can help foot the rest. At San Francisco International Airport, where **11,000** workers would see higher salaries, it equates to **getting** an extra \$ 1 from every passenger, he said.

"The high cost of living here is pushing working families to the brink," he said. "What **we're** really seeing is people being squeezed out of the city."

LANGUAGE: English

LOAD-DATE: October 18, 1999



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Los Angeles Times

November 10, 1999, Wednesday, Home Edition

SECTION: Part A; Page 3; Metro Desk

LENGTH: 1191 words

HEADLINE: CALIFORNIA AND THE WEST;
PROBLEMS OF MIDDLE-INCOME FAMILIES STUDIED;
FINANCES: A HOUSEHOLD OF FOUR NEEDS TO EARN MORE THAN TWICE THE U.S. POVERTY
LEVEL TO SURVIVE IN CALIFORNIA, AN ADVOCACY GROUP SAYS.

BYLINE: DAN MORAIN and SORAYA SARHADDI NELSON, TIMES STAFF WRITERS

DATELINE: SACRAMENTO

BODY:

A two-parent family of four needs at least \$44,880 a year to make ends meet in California--2 1/2 times the so-called federal poverty level--and one in four of the state's children lives in poverty, separate studies released Tuesday show.

A report by the California Budget Project, a liberal nonprofit organization, says that the \$ 44,880 figure assumes the family rents its home and the parents save little or nothing toward retirement or their children's college education.

The cost of living modestly in the San Francisco area is by far the highest--\$ 53,736 a year--in California. Life in the Los Angeles area costs less--\$ 44,700--when rent, transportation, health care, child care, food and utilities are added.

A family of four with two working parents needs \$ 47,688 in Orange and Ventura counties, and \$ 38,736 in the Inland Empire.

"Middle-income Californians are having a hard time making ends meet," said Jean Ross, director of the California Budget Project.

Among the solutions, Ross suggested that the state might consider raising the minimum wage, which could boost all wages. Government also could assist middle-income Californians by subsidizing child care, health insurance for adults and affordable housing near where people work.

In a separate study, the Oakland-based Children Now released a county-by-county survey saying that one in four Californians under 18 lives in poverty--more than 40% of them in Los Angeles County.



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The federal poverty level is \$ **16,700** a year; minimum wage earners in California have an annual income of \$ **11,960**.

The Children Now study found that **13** of the state's **58** counties have one in three young children living in poverty.

Poverty rates in California are highest among younger children, especially in black and **Latino** families. Twenty-seven percent of **Latino** families earn **below** the federal poverty level, followed by **24%** of black families, said Amy **Dominguez-Arms**, director of policy for Children Now, which conducted the **poverty** study.

In Los Angeles County, half of all black children 5 and younger are on welfare, the survey found.

With rent and child care each costing more than half of what minimum **wage** earners are paid, low-income families with children tend to live in **substandard** housing. "**We** will pay for this dearly in terms of these children's school readiness and their ultimate success as adults," said Children Now **President** Lois **Salisbury**.

Child advocates hope money raised by the Proposition **10** tax on tobacco **will** help improve these children's lives. Los Angeles County has received **slightly** less than a third of the \$ **363** million generated so far by the **tobacco** tax initiative championed by actor-director Rob **Reiner**.

The Children Now study was based on data collected by such agencies as the U.S. Census Bureau, California Department of Health Services and California Department of Social Services.

The California Budget Project, meanwhile, focused on middle income **earnings**, "pointing out that the poverty threshold is an obsolete measure that fails **to** take into account the reality of modern families." The federal poverty **standard** also fails to consider California's high cost of living.

The California Budget Project says a family of four needs \$ **44,880** a year to pay its bills, a sum only slightly below the median income in California.

The California Budget Project assumes that a family in which both **parents** work and earn \$ **44,880** pays almost \$ **6,200** in state and federal taxes.

Housing is the biggest cost in much of the state. The average statewide **cost** of rent and utilities is \$ **762** a month. But rent varies widely, from \$ **1,167** for a two-bedroom apartment in San Francisco, to \$ **749** in Los Angeles, to \$ **481** in rural parts of Northern California.

The report assumes that on an income of \$ **44,880**, home ownership is virtually out of reach. Housing prices vary widely, from \$ **330,000** median price in San **Francisco** to \$ **300,000** in West Los Angeles, to \$ **176,000** in Tracy. To buy a house in West Los Angeles, a family would need an annual income of \$ **80,544** the report **says**.

Additionally, food for a family of four averages \$ **583** a month. The **survey**



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assumes adults drive 750 miles per month. Based on the Internal Revenue Service allowance for mileage, the cost would be \$ 244 per month. Health care costs are somewhat lower in California than in the rest of the nation, but still average about \$ 330 for a family of four, less any contributions by their employers.

The budget project report was met by skepticism by the California Department of Finance, where chief economist Ted Gibson said the survey suggests that almost half the population is failing to make ends meet.

"I don't think there is evidence for that," Gibson said. "We have a poverty problem. But the vast majority of the population, at least 80%, are well-housed and clothed and fed."

(BEGIN TEXT OF INFOBOX / INFOGRAPHIC)

Family Expenses in California

A two-parent family of four needs to earn more than twice the federal poverty level of \$ 16,700 to make ends meet in California, according to a report by a liberal nonprofit organization.

*

Expenses per Month for Working Families in California

	Single Parent	Two Parents (one working)	Two working parents
Housing/utilities	\$608	\$762	\$762
Child care	\$926	0	\$926
Transportation	\$244	\$244	\$244
Food	\$382	\$583	\$583
Health care	\$216	\$330	\$330
Miscellaneous	\$311	\$379	\$379
Taxes	\$382	\$315	\$516
Annual total	\$36,828	\$31,356	\$44,880

*

Source: California Budget Project

Children of Poverty

One in four children in California under the age of 18 lives in poverty, according to Children Now, a child policy and advocacy organization. The following chart shows by area and race what percentage of children were on



welfare in 1998.

	% through age 5	% through age 17
Black State	46%	40%
L.A. County	49%	43%
Orange County	20%	18%
Ventura County	21%	16%

*

	% through age 5	% through age 17
White State	11%	9%
L.A. County	10%	10%
Orange County	4%	4%
Ventura County	5%	4%

*

	% through age 5	% through age 17
Latino State	17%	16%
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Orange County	8%	8%
Ventura County	11%	11%

*

	% through age 5	% through age 17
Asian State	12%	16%
L.A. County	9%	12%
Orange County	10%	15%
Ventura County	3%	3%

*



*

Note: Income determines poverty level; not all poor families seek welfare help. People in either category may be employed.

Source: Children **Now's** California County Data Book '99

*

Morain reported from Sacramento, Nelson from Los Angeles.

GRAPHIC: GRAPHIC-TABLE: Children of Poverty, Los Angeles Times ID NUMBER:
19991110hmn0057 GRAPHIC-TABLE: Family Expenses in California ID NUMBER:
19991110hmn0058

LANGUAGE: English

LOAD-DATE: November 11, 1999



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The Ethnic NewsWatch
AsianWeek

October 20, 1999

SECTION: Vol. 21; No. 8; Pg. 12

LENGTH: 739 words

HEADLINE: Living Wage Debate - Costly on Both Sides

BYLINE: Dang, Janet

BODY:

Living Wage Debate--Costly on Both Sides

BY JANET DANG

To support his family, a Filipino immigrant--we'll call him Albert--works two jobs, one as a baggage screener at San Francisco International Airport. That's where he is all weekend and Tuesday night, screening the luggage of often irate and harried travelers.

He makes \$8.50 per hour because he's a supervisor--\$2 more than other screeners. And though he thinks "our job is very important," he doesn't think he can make more than that. "That's what they give," said the worker, who did not want his real name revealed.

About 90 percent of baggage screeners are Filipino immigrants like him, Albert said, and many have two jobs or more. Turnover is high, he said, and so is the risk that a tired handler will overlook some danger.

"They are being taken advantage," he said. "If that job is that important they'd give a nice living wage, then all races would want the job."

Board President Tom Ammiano and others want the city to institute a \$11 minimum wage, plus benefits, for Albert and thousands other low wage workers. But according to a city-contracted study, the proposal could cost San Francisco employers \$254.8 million.

The San Francisco State University Urban Institute's study, led by scholar Michael Potepan, projects that proposal would affect 41,000 workers, mostly city contractors, home health care workers and employees on leased properties, such as the port and airport. To pay them all a living wage, it said, the city would foot the bill for \$81.7 million of the \$91.8 million in added wages and benefits that city contractors would pay. Businesses on leased city property like the airport and the port would pay \$163 million a year.

Michael Reich, who in July released a study indicating that about one-third of the potentially affected workers are of Asian descent, said Potepan's study did not take into account savings from decreased turnover and increased



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productivity that might be released if the proposal ever passes. The Board of Supervisors, which delayed action pending **Potepan's** results, has not yet scheduled a vote.

To get their figures, Reich's researchers looked at **145** leases, **subleases**, tenant agreements and concessions at the airport and **239** commercial establishments at the port. Firms operating at the airport would incur a **cost** increase of **\$59** million while an estimated **11,500** workers would see an average wage increase of **\$2.55** an hour.

TALLYING THE VOTES: At this **week's** Board of Supervisors meeting, **President** Tom **Ammiano** introduced a proposed charter amendment for the **March 2000 election** that would replace runoff elections with an "instant-runoff **voting**" system that would allow voters to rank their first, second and third choices for a **single** office. Under the system, which **Ammiano** hopes will be in place for next November's district elections, votes from low-placing candidates would **transfer** to others still in the **running**.

"**It's** like conducting a series of runoff elections, eliminating one candidate at a time, but it takes place in a single election," **Ammiano** said of his proposal, which is to be reviewed before being considered again.

City officials have estimated that each district runoff will cost **\$50,000**. In each of the past two mayoral elections, a citywide runoff was held after no candidate gained at least **51** percent of the vote--costing taxpayers an **estimated \$1** million to set up polling stations, print voter guidebooks, and pay for staffing, he said.

A HIGHER APPEAL: Supervisor **Leland Yee** asked the City Attorney to amend a city law so that decisions of the Board of Permit Appeals may be appealed directly to the Board of Supervisors. Currently, the appeal board's **decisions** are final unless residents take the matter to court.

A PLACE FOR NUMBERS: At the meeting, held on Tuesday because of the **Columbus** Day holiday, Supervisor Alicia **Becerril** proposed that a list of useful city telephone numbers be posted on **50** public trash receptacles and that **translations** be provided in Chinese in Chinatown, Spanish in the Mission District, **Russian** in the Richmond District and Japanese in the Fillmore District.

The Department of Public Works is to put out a proposed list of numbers by the second week of November. After that the public will have three months to comment.

Article copyright **AsianWeek/Pan** Asia Venture Capital Corp.

ETHNIC-GROUP: Asian/Pacific Island

LANGUAGE: English

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Los Angeles Times

November 10, 1999, Wednesday, Home Edition

SECTION: Part A; Page 3; Metro Desk

LENGTH: 1191 words

HEADLINE: CALIFORNIA AND THE WEST;
PROBLEMS OF MIDDLE-INCOME FAMILIES STUDIED;
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DATELINE: SACRAMENTO

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Note: Income determines poverty level; not all poor families seek **welfare** help. People in either category may be employed.

Source: Children **Now's** California County Data Book '99

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Morain reported from Sacramento, Nelson from Los Angeles.

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19991110hmn0058

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LOAD-DATE: November 11, 1999



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Copyright 1999 Ventura County Star
Ventura County Star (Ventura County, Ca.)

November 11, 1999, Thursday

SECTION: News; Pg. A01

LENGTH: 669 words

HEADLINE: Ventura County ranks high for cost of living
STUDY: California Budget Project finds families earning double minimum wage struggle

BYLINE: Bruce McLean
Staff writer

BODY:

High living costs in Ventura County and the state put even a modest standard of living out of reach for many working families, even those who earn double the minimum wage, according to a study released Wednesday.

The study, released by the California Budget Project, ranks Ventura County as one of the most expensive places in the state in terms of basic living needs such as housing, food, child care and health care.

Those struggling to meet those financial demands are not just welfare families, fast food workers or other menial job employees, California Budget Project Executive Director Jean Ross said.

"They're people working in clerical jobs, they're truck drivers, they're construction workers," Ross said. "They're people who work in the sort of bread-and-butter jobs."

The study shows, Ross said, that policy makers need to look at making housing more affordable, providing child-care assistance for working families and providing health care for those who don't get it through their jobs or can't afford it.

The study took a look at costs for three types of families -- a single parent with two children, a two-parent family with one parent working and a family with two working parents.

Splitting the state into nine regions based on similar living expenses, the study calculated how much it cost for housing and utilities, child care, transportation, food, health care, miscellaneous and taxes in each of those regions.

A region that included Ventura and Orange counties was second only to a region that included counties surrounding the San Francisco Bay area in living expenses.

According to the study, a single parent with two children would need to earn



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\$39,564 a year to meet basic expenses.

For a **40-hour-a-week** job, that works out to just more than **\$19** an hour.

A two-parent family with one parent working would need to earn **\$32,268** a year, a large deduction coming from the elimination of child-care expenses.

A two parent family with both parents working would need to earn **\$47,688** a year, which works out to **\$11.46** an hour for each parent.

Ross pointed out that the expenses don't include emergencies such as auto repairs or unexpected medical costs.

"**And** it doesn't include that two week vacation that everybody would like to take," Ross said.

None of this comes as a surprise to social workers such as Mary **Bureau**, who works with Ventura County's Commission on Human Concerns.

Last month she handled about **195** phone calls seeking assistance.

Many of **Bureau's** Clients are single, working mothers who work as secretaries, receptionists and in other jobs.

"**They** can barely make it and one little emergency throws them totally off balance," **Bureau** said. "**For** a lot of them, **it's** either food for their kids or a savings account."

Most are looking for help with housing costs.

"And in emergency situations, they come to us for food," she said.

Making ends meet

How much it costs:

A study released by the California Budget Project on Wednesday calculated how much it costs Ventura and Orange county families to meet basic expenses.

Basic family wage*

Single parent family **\$19.02**

Two parent family (One working) **\$15.51**

Two working parent family **\$11.46**

* Hourly wage needed to meet basic living expenses in Ventura County. **Assumes** 40 hour workweek. Each family includes two children.

Expenses per month and as a percentage of income

Based on averages and accepted standards such as fair market rents.



Single parent (one working)	Two parents	Two working parents	
Housing/Utilities	\$688	\$855	\$855
	(20.9%)	(31.8%)	(21.5%)
Child Care	\$1,033	\$1,033	\$1,033
	(31.3%)	(26.0%)	(26.0%)
Transportation	\$244	\$244	\$244
	(7.4%)	(9.1%)	(6.1%)
Food	\$382	\$583	\$583
	(11.6%)	(21.7%)	(14.7%)
Health Care	\$193	\$296	\$296
	(5.9%)	(11.0%)	(7.4%)
Miscellaneous	\$311	\$379	\$379
	(9.4%)	(14.1%)	(9.5%)
Taxes	\$446	\$332	\$584
	(13.5%)	(12.3%)	(14.7%)
MONTHLY TOTAL	\$3,297	\$2,689	\$3,974
ANNUAL TOTAL	\$39,564	\$32,268	\$47,688

Source: California Budget Project

LANGUAGE: English

LOAD-DATE: November 11, 1999



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Copyright 1999 Orange County Register
THE ORANGE COUNTY REGISTER

November 17, 1999 Wednesday MORNING EDITION

SECTION: NEWS; Pg. A03; PETER H. KING

LENGTH: 836 words

HEADLINE: ON CALIFORNIA;
 Recession is no cure for the high cost of living

BYLINE: PETER H. KING, Sacramento Bee

DATELINE: San Francisco, CA

BODY:

One afternoon in late October - after interviewing some of the homeless shufflers who occupy a public square in the Civic Center - I entered San Francisco's lavishly restored City Hall and heard Mayor Willie Brown deliver his state-of-the-city address.

His theme was a bit jarring, given the ragtag encampment I had just left. San Francisco, the mayor was saying, faced a fundamental problem: prosperity.

"There is a deep sense of frustration among a great many San Franciscans," Brown said, "that life here is not as good as it should be, and they're right about that. Traffic congestion seems to grow worse every day. The character of our neighborhoods is being threatened. Each day, too many San Franciscans work long and hard just to earn a wage that can't keep pace with the city's soaring cost of living. And each night, too many hardworking San Franciscans go to bed wondering what they'll do, and where they'll go, once they can no longer afford to keep a San Francisco roof over their heads.

"In a very real sense, we have become the victims of our own success. "

Yes, a boom is on across the San Francisco Bay area; no news in that. Silicon Valley has been cranking out dot-corn millionaires at a pace that has depleted stocks of Porsches and mansions.

In San Francisco, immigrant neighborhoods like the Mission District have been discovered by the high techies, driving up rents and driving out families. The idea of what constitutes poverty has been forced to undergo some revision. As a study released recently in Sacramento noted, it now costs more than \$ 53,000 a year in the Bay area to raise a family with two children and two working parents. An income level of \$ 150,000 is described as "middle class. "



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And so, naturally, with the boom has come a backlash. It can be seen in slow-growth measures that keep popping up on suburban ballots, or in the vandalism campaigns directed at "yuppies" as they **re-gentrify** certain San Francisco neighborhoods. Listen closely enough, and one can detect a growing undercurrent of belief that the time has come to root for a recession, that a bust might be better than the current boom. A San Francisco Chronicle columnist recently gave voice albeit in the satirical spirit of Jonathan Swift _ to this mind-set:

"Short of an earthquake," wrote John King (no relation), **"there's** only one thing that will bring sanity back to the Bay area landscape: a good strong recession. Not just low-level anguish, with entry-level workers sent packing. No, **I'm** talking major misery, where consultants (have) signs saying **'Will Facilitate for Food. 'I**know this sounds extreme. But, hey _ an economic **Loma Prieta** would be better than the real thing, right? " Well, maybe. This "challenge of prosperity" business, however, sounds awfully familiar.

I was living down in Los Angeles a decade ago when the last big real estate boom was on, and the idea of buying a house seemed impossible, and there was much public discussion about the economy becoming too overheated for its own good. I remember an executive with a head-hunting firm complaining that it had become difficult to attract **"\$ 60,000 men"** to Southern California, so high were the prices.

Such talk abruptly ended _ amid recession, followed by riot, followed by earthquake. **What** followed were, as the Chinese proverb warns, "interesting times. "

Houses that would have sold in a day stayed on the market for years; droves of **\$ 60,000** men, and women, found themselves shoved aside by **\$ 30,000** replacements, as the downsizers and **outsourcers** seized the day. National correspondents poured into town to tap out requiems for Los Angeles and "the California dream. "

It took most **of** the decade, but the Los Angeles economy finally has dug itself out. (Strangely enough, speaking of an **"economic Loma Prieta,"** reconstruction made necessary by the Northridge earthquake helped spark the recovery.) And I doubt that the middle-class angst about too much prosperity in evidence here would draw much sympathy today from **Angelenos** who remember the recession.

Those down south who recall the hard times might suggest, in fact, that a busted economy is a painfully crude and ineffective way to mitigate problems of infrastructure, traffic flow, housing affordability or even **yuppie** creep. Of course, memory never has been the long suit of Californians; perhaps our fabled fixation with the future is to blame.

In any case, suffering San Franciscans can take heart. There never has been a California boom that didn't go bust, just as every



recession eventually has been followed by recovery. Eventually

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