

Statement on Proposed Aurora Minimum Wage Ordinance

August 31, 2020

Alliance is a statewide, non-profit association of Community Centered Boards and Program Approved Service Agencies serving Coloradans with intellectual and developmental disabilities (IDD). While Alliance supports and has successfully advocated for higher compensation for the workforce who delivers these critical supports, we oppose the proposed Aurora minimum wage ordinance that would establish a \$20/hr minimum wage by 2027 due to the unintended consequences it would have on the provider network and Aurora citizens with IDD.

IDD services are funded almost exclusively by government programs that reimburse providers via non-negotiable rate structures that must be approved by the Colorado General Assembly and the federal Centers for Medicare and Medicaid Services. Complying with the proposed ordinance would require significant state-level funding increases to allow IDD providers to increase wages, and these increases are impossible in the current budget climate. Without these necessary state-level increases, IDD providers would have no way to increase their revenues to comply with the proposed minimum wage standard, reducing their ability to provide services in Aurora. The ordinance would also put strain on surrounding communities, because, as other businesses increase their wages, the already limited number of eligible workers will seek these better paying jobs. Colorado is already experiencing a workforce crisis among Direct Support Professionals, with turnover rates around 50% and challenges recruiting and retaining high-quality staff. IDD providers and other similarly situated agencies will have no chance of competing with industries that can increase their revenues by raising prices. The likely result will be that service options for Aurora citizens will be significantly curtailed, and they may have to travel or move to have access to needed supports.

Alliance supports paying workers living wages while recognizing that any effort to enact laws to that end must be coupled with funding increases in government-funded programs. Otherwise, the result will be fewer services for populations that rely on safety-net programs and fewer jobs for the people who support them. We recommend that local communities have conversations with their state government partners to understand the implications and unintended consequences of establishing their own local minimum wages on Medicaid and other state-administered programs.