

Living Wage Pilot Update and Permanent Ordinance Proposal

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Living Wage Pilot

- Development
 - Only applies county contractors
 - Community partners helped design pilot program
 - Adopted 2017, extended to June 30, 2022
- Implementation
 - Target wage of \$17.00 an hour reached July 2019
 - Annual increases by CPI or 3.5%, whichever is lower
 - Current rate is: \$17.79 an hour
 - One waiver request in first six months, none since
 - One employee complaint which was not pursued by union, which is enforcement approach

Pilot Program Review

- Comparison with other Living Wage Ordinances
 - Single rate for all contractors, simple to apply
 - Current rate above average for all LWO rates
 - Slightly lower than Santa Clara and San Francisco Counties
- Partner Meeting & Conversations
 - Discussed pilot impacts and next steps with:
 - Heather Cleary, Peninsula Family Service
 - Bryan Neider, AbilityPath
 - Bart Charlow, Samaritan House
 - Georgia Farooq, THRIVE
 - Consensus: no concerns, make LWO permanent, include partner check-ins

Permanent Living Wage Ordinance: Overview

- Substantially same terms as pilot.
- Living wage for paid contract employees under most County services contracts. (Government entities exempt.)
- Exempt contracts:
 - Non-profit with <50% County funding; braided funding
 - “Public works” and subject to prevailing wage
 - County as fiscal agent, 100% pass-through funding
 - Others per Board determination in best interest of County (e.g. emergency, joint purchasing agmt).

Updates from Pilot Ordinance

- Review every two years.
 - CEO report to Board every two years on the implementation and operation of the ordinance, after consulting with non-profit agencies and other appropriate stakeholders impacted by the LWO.
- Elimination of outdated provisions.
 - E.g. “enhancement” payment for voluntary amendment of contracts predating March 31, 2017 to comply with LWO rates.

Living Wage Rate

- As of July 1, 2022: \$18.61.
- Annual increase at rate of CPI-U for San Francisco-Oakland-San Jose then in effect.
- Change in Living Wage based on CPI-U shall not be negative and shall not exceed 3.5%.

Terms of Compliance

- Certification of compliance in contract.
- Failure to comply constitutes material breach of contract; cure period.
- Contractor must maintain documentation showing compliance, retain for two years.

Implementation and Enforcement

- Enforcement by County
 - Right to conduct random audits.
 - Employee grievance rights.
 - Private right of action.
- Contractor employee complaints to Purchasing Division, referred to contracting department. Outside auditor may investigate.
- CEO staff report to BOS every two years after consultation with non-profit partners.

Right to Suspend

- LWO may be suspended by Board due to:
 - Suspension by State of statewide minimum wage phase-in process.
 - “Best interests of the County” on any other basis.

Recommendation

- 1) Open public hearing regarding San Mateo County's Living Wage Ordinance Pilot Program, Chapter 2.88 of Title 2 of the San Mateo County Ordinance Code, which is currently set to expire June 30, 2022;
- 2) Close public hearing; and
- 3) Introduce an ordinance amending and restating Chapter 2.88 of Title 2 of the San Mateo County Ordinance Code to enact a permanent Living Wage Ordinance, and waive the reading of the ordinance in its entirety.