County of San Mateo
Office of Labor Standards & Enforcement

June 25, 2024

Outline

- **The Problem**
- **Key Considerations**
- **OLSE Functions**
- **Roles and Responsibilities**
- **Phased Approach for Implementation**
- **Resource Considerations**

THE PROBLEM

Wage Theft

- **11-12% of minimum wage workers experience minimum wage violations.**
- **In 2014, minimum wage violations increased poverty rates among California workers who experienced wage theft by 22.9%.**
- **Low-wage workers lose approx. $2,643 per year (15% of their income) from wage theft**
- **Lowest paid industries disproportionately employ women, people of color, and undocumented immigrants**
- **San Mateo County:**
  - 132 active and unpaid judgements from the state
  - $4.6M owed to workers in SMC
  - Top industries for judgements:
    - Construction
    - Food
    - Retail
    - Care Economy (examples: childcare, assisted living)

Public Losses

- **Payroll Taxes**
- **Income Taxes**
- **More workers on public assistance because lower wages than owed to them**
- **Homelessness**

KEY CONSIDERATIONS

Key Considerations

- Soliciting complaints requires adequate infrastructure to respond
- State Labor Commission receives many complaints which can delay processing time given their limited resources and high volume of requests.
- Low-wage workers can’t wait for wages owed to them for long
- Supporting low-wage workers requires trust, language accessibility, and cultural sensitivity
- Important to consider where and how to start so we are seeding for effective learning and growth

PHASED APPROACH TO BUILDING INFRASTRUCTURE

Universal Goal: Workers are paid a fair wage and treated respectfully in San Mateo County.

OLSE Functions at Full Capacity

Phased Approach to Implementation

Prep

- Learning
- Concept Design
- Resources

Learn & Adjust

Phase 1

- Seed Infrastructure
- Program Development
- Focus on a Few Industries
- Pilot
- Understand Scale and Capacity

Learn & Adjust

Phase 2

- Expand Resources as Needed
- Deepen
- Expand Industries

OLSE Partners

Equity Office

- Enforcement programs for County permits
- Coordination & partnership
- Outreach, education & engagement
- Data/tracking
- Policy & strategy

Partnerships

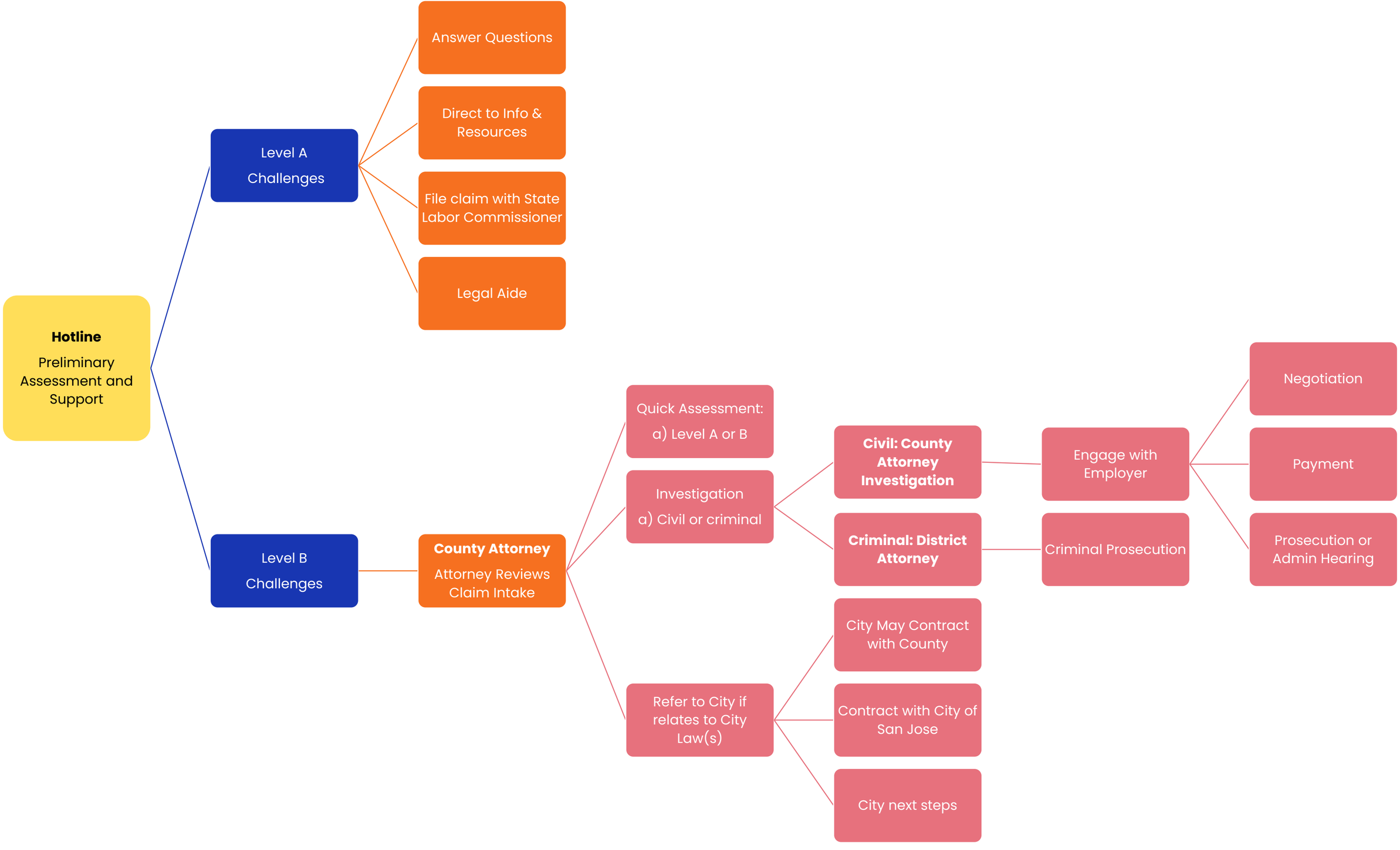
- OLSE Hotline
- Targeted Outreach
  - Farmworkers
  - Construction workers
  - Restaurant workers
- Economic Advancement Centers
  - Low-wage workers & Small Businesses

District Attorney's Office

- Investigations
- Criminal prosecution

County Attorney's Office

- Investigations
- Letters to employers
- Employer negotiation
- Civil prosecution


Hotline
Preliminary Assessment and Support
Level A Challenges
Answer Questions
Direct to Info & Resources
File claim with State Labor Commissioner
Legal Aide
Level B Challenges
County Attorney
Attorney Reviews Claim Intake
Quick Assessment:
a) Level A or B
Investigation
a) Civil or criminal
Civil: County Attorney Investigation
Criminal: District Attorney
Engage with Employer
Criminal Prosecution
Negotiation
Payment
Prosecution or Admin Hearing
Refer to City if relates to City Law(s)
City May Contract with County
Contract with City of San Jose
City next steps

PHASE I: RESOURCE CONSIDERATIO

Phase 1: County Staff

- **Equity Office – 1 Senior Management Analyst, 1 Associate Analyst**
  - Coordination across organizations and agencies
  - Explore County authority to ensure judgements are paid out. Examples for exploration include procurement, permitting, etc.
  - Outreach and Education
  - Strategy and partnership
  - Online library of resources and webpage development and maintenance
  - Data analysis and tracking
  - Contracting
- **County Attorney's Office– 1 Attorney**
  - Review claims
  - Investigate civil cases
  - Prosecute
- **District Attorney's Office – 1.5 prosecutors, 1 investigators, forensic auditor consultant (final funding and capacity to be determined)**
  - Investigate criminal cases
  - Prosecute as required

Phase 1: Community Partnerships (Examples)

- **Hotline – Intake worker and employer calls**
  - Quarterback where to direct workers and employers
  - Provide information and resources
  - Track types of challenges and needs
  - Training clinics for employer and workers
- **Economic Advancement Centers**
  - Operate informational sessions and legal clinics

Cost

Senior Management Analyst Associate Management Analyst	$450
CBO Partnerships and Consultants	$250K
DA 1.5 FTE Prosecutors, 1 investigator, contract with forensic auditor	~$740K (pending funding decision on a State grant award)
1 FTE Deputy County Attorney	$220K
TOTAL COST	$1.7M
PENDING POTENTIAL FUNDING SOURCES	($450K General Fund + $500K Measure K + $740K potential State grant to DA)

Phase 2 and Beyond: Expand and improve based on learnings in Phase 1

- **Trusted CBO Partners in Key Industries**
  - Farmworkers
  - Construction workers
  - Restaurant workers
- **Advise BOS on potential policies and enforcement mechanisms, including amendments to existing ordinances and/or new ordinances, as appropriate**
- **Consider whether a collections agency could be beneficial for recovering worker restitution**
- **Expand outreach only after more structure is built to intake worker complaints and engage with employers.**
  - Expand Targeted Outreach and Engagement
    - Domestic Workers
    - Caregivers
    - Janitorial workers
    - Day Laborers
  - Expand capacity for the following based on scoping in first phase:
    - Hotline staffing
    - Investigators

THANK YOU