



County of San Mateo

Inter-Departmental Correspondence

Department: COUNTY EXECUTIVE

File #: 24-478

Board Meeting Date: 6/25/2024

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Michael P. Callagy, County Executive
Shireen Malekafzali, Chief Equity Officer

Subject: Update on the design of the County of San Mateo County Office of Labor Standards and Enforcement.

RECOMMENDATION:

Accept staff's update on the design of the County of San Mateo's Office of Labor Standards and Enforcement in partnership between the County Executive's Office, the County Attorney's Office and the District Attorney's Office; and provide feedback to staff.

BACKGROUND:

On December 12, 2023, the Board of Supervisors voted unanimously to launch an Office of Labor Standards and Enforcement (OLSE) with specific attention to low-income workers and workers from vulnerable populations (Resolution No. 080073). The goal is to inform workers and employers about labor rights and increase adherence to wage per hour laws through increased awareness and enforcement. The OLSE would aim to strengthen worker protections by having in-house support to reinforce regional, state and federal regulatory and educational strategies.

The resolution noted the important need and large gap between the problem of wage theft and enforcement. Wage theft also creates public losses in payroll and income taxes, as well as increased need for public assistance.

In response to challenges and gaps in enforcement, local jurisdictions have implemented educational and enforcement services through new offices such as this Office of Labor Standards and Enforcement.

DISCUSSION:

Research: Over the last four to five months, the County's Executive Office, in partnership with Supervisor Pine and Mueller's Offices, the County's Attorney's Office, and the District Attorney's Office have been exploring approaches and pathways for implementation of an Office of Labor Standards and Enforcement. Through discussions with a number of practitioners of OLSEs across

California and the nation, researchers, legal aid lawyers, community-based organizations, and labor unions, the proposed San Mateo County Office of Labor Standards and Enforcement would begin with both education and outreach, as well as enforcement. In addition, the OLSE will take an incremental approach to building infrastructure and services in order to develop adequate capacity to be responsive, better understand demand, support collaboration and implementation.

Proposed Phased Approach for Implementation: We propose a phased approach to standing up the OLSE to achieve the universal goal of ensuring workers in San Mateo County are paid a fair wage and treated respectfully in San Mateo County.

Looking ahead, at full capacity, the OLSE could eventually serve the following functions:

- Data and evaluation: tracking complaints and monitoring impacts of interventions to build improvements.
- Outreach and education: sharing labor standards with workers and employers and maintaining a library of resources and information.
- Enforcement of existing labor standards: investigations, negotiations with employers, judgement, and prosecutions as needed.
- Partnerships and coordination: partnering across departments, with community-based organizations, cities, and labor.
- Intervention for unpaid judgement: exploring County levers to support accountability to restoring workers where judgements are unpaid.
- Strategy and policy support: researching best practices for implementation, policy, enforcement, and evaluation.

The OLSE functions will be coordinated through the Chief Equity Officer with implementation of key functions held at the Office of Racial and Social Justice, County Attorney’s Office, District Attorney’s Office, and other partners based on expertise.

Phase I Implementation: The OLSE will begin with a focus on, 1) building a coordinated partnership for effective implementation, 2) outreach and education for workers and employers, 3) enforcement of civil and criminal violations, and 4) exploring County levers for holding employers with judgments accountable for restitution.

The OLSE would begin with a focus on three industries with a high number of wage theft complaints and judgements, and opportunities for partnerships to reach workers and employers: 1) agriculture, 2) construction, and 3) restaurant.

The functions could be implemented with the following staffing structure:

Resources & Capacity	Coordinated Partnership	Key Functions
1 Senior Management Analyst	Office of Racial and Social Justice	Coordination of implementation; Best practices research; Program development for County levers of accountability; Contract and MOU development as needed.

1 Associate Analyst	Office of Racial and Social Justice	Data gathering; Education and outreach to workers and employers; Development of an online resource library.
1 Lawyer	County Attorney's Office	Civil investigation and enforcement.
1 Prosecutor, 1 Investigator	District Attorney's Office	Criminal investigation and prosecution.
External Partner		Hotline for workers and employers, complaint intake, early analysis for referrals to educational and enforcement resources.
External Partners	Economic Advancement Centers; Community-based organizations; Labor; Legal Aide	Trusted connections with impacted populations for problem identification, outreach and education.
City Partners	12 cities with minimum wage policies and 7 that contract with San Jose OLSE for enforcement.	Provide local support on outreach and enforcement, as requested.

Over the next two to three years, we anticipate learning about the volume and types of complaints, the effectiveness of interventions, and ways to improve accountability to labor standards. Based on the learnings, we could anticipate expanding implementation into other problematic industries such as workers in the care economy (examples include domestic workers and caregivers), janitorial workers, and day laborers, expanding outreach through trusted community partners, and additional enforcement mechanisms.

EQUITY IMPACT:

The implementation of the OLSE will positively impact equitable outcomes by increasing awareness and accountability of labor standards for low-wage workers. Low-wage workers struggle to make ends meet in San Mateo County with the high cost of living. Through discussions with organizations working closely with low-wage workers we understood the scale and impacts of the problem on vulnerable workers across industries. When employers do not pay fair wages, low-wage workers can fall into, or further into economic crisis that can create housing insecurity or homelessness, food insecurity, stress and other mental health impacts. Supporting fair labor practices helps ensure people are paid the wages they are owed and are counting on to pay bills.

FISCAL IMPACT:

This proposal would cost approximately \$1.7M for Phase I implementation, utilizing an approximately \$750K grant from the CA State Labor Commissioner to the District Attorney's Office for enforcement, \$500K from **Measure K** funds, and up to \$450K from General Funds.