



County of San Mateo

Inter-Departmental Correspondence

Department: COUNTY MANAGER

File #: 21-140

Board Meeting Date: 2/23/2021

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Supervisor David Canepa, District 5
Supervisor Don Horsley, District 3

Subject: Ordinance Requiring Hazard Pay for Certain Grocery and Drugstore Employees

RECOMMENDATION:

Introduce and waive reading in its entirety an uncodified ordinance of San Mateo County requiring certain grocery and drugstores located in unincorporated San Mateo County to pay employees an additional five dollars (\$5.00) per hour in hazard pay for 120 days.

BACKGROUND:

Since the beginning of the COVID-19 pandemic, grocery and drugstore workers in the County of San Mateo have continued to report to work and serve their communities, despite the ongoing hazards and danger of being exposed to and infected by COVID-19, helping to ensure individuals throughout the County of San Mateo have had uninterrupted access to the food they need during this pandemic. Unlike workers in many other sectors, essential grocery and drugstore workers cannot work from home; they must perform their jobs in an environment which involves heightened risk of infection and transmission of COVID-19 through substantial interaction with customers indoors, where there is less air circulation. A recent study published in *Occupational & Environmental Medicine* found that, within grocery stores, employees with direct customer exposure were five times more likely to test positive for COVID-19, even after adjusting for age, gender, COVID-19 community prevalence where workers live, and other factors.

According to the California Employment Development Department, in the first quarter of 2020, the median hourly wage for a cashier in the San Francisco-Redwood City-South San Francisco region was \$17.18. As noted, grocery and drugstore workers cannot work from home and, consequently, they must pay for increased childcare costs as a result of school closures, as well as other necessary expenses related to the need to work in person in hazardous environments. It could become a problem for certain grocery and drugstore workers if they do not receive relief in the form of higher compensation to address these significant additional expenses.

A November 2020 study by the Brookings Institution, *Windfall Profits and Deadly Risks*, found that

the United States' top retail grocery companies have earned record levels of profits during the pandemic, and this increase in profit has not been reflected in higher earnings for grocery workers, who have borne the hazardous work condition that underpin those record profits. Additionally, as the Brookings study found, many top retail grocery companies gave employees hazard pay in the early months of the pandemic, but those payments were modest and stopped more than six months ago, even as the country's COVID-19 case counts and deaths have continued to grow.

The continued ability of grocery employees to keep working, notwithstanding hazardous conditions, is fundamental to the health and welfare of the community. Establishing hazard pay for grocery and drugstore employees protects public health and welfare by supporting the stability of the food supply chain and by ensuring that these employees are compensated for the substantial risks they are undertaking to provide essential services in a safe and uninterrupted manner during the COVID-19 emergency.

Other jurisdictions In California and elsewhere have already adopted hazard pay policies including the cities of Oakland, Long Beach, Montebello, San Jose, Irvine, and Seattle. Additional jurisdictions such as Santa Clara County and Los Angeles County, and the cities of Belmont, San Mateo, South San Francisco, Berkeley, Los Angeles, West Hollywood, Santa Monica, and Santa Ana are considering adopting such policies.

DISCUSSION:

- The following is a summary of the key provisions of the proposed ordinance. Applies only to grocery and drugstores in the unincorporated area of the County.
- Covers drugstores, larger grocery stores of at least 10,000 square feet and other stores of at least 85,000 square feet which devote at least 10% of their floor space to food items, if the store employs at least 300 employees nationwide, wherever working.
- Applies to any employee entitled to a minimum wage, but excludes managers, supervisors, and confidential employees.
- Requires covered employers to pay covered employees an additional wage of \$5.00 per hour on top of base pay, with a credit for existing, employer-initiated hazard pay.
- Hazard pay under the proposed ordinance can be waived in a collective bargaining agreement.
- Prohibits retaliatory actions for exercise of rights under the ordinance.
- Provides a private civil right of action for violations of the ordinance, and authorizes the court to award attorneys' fees to the prevailing party.
- Requires posting of a notice of the rights provided by the ordinance in all covered worksites.
- Becomes effective 30 days after adoption and remains in effect for 120 days.

FISCAL IMPACT:

None.