



# Public Forum on Living Wage and Nonprofits

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OCTOBER 24, 2016

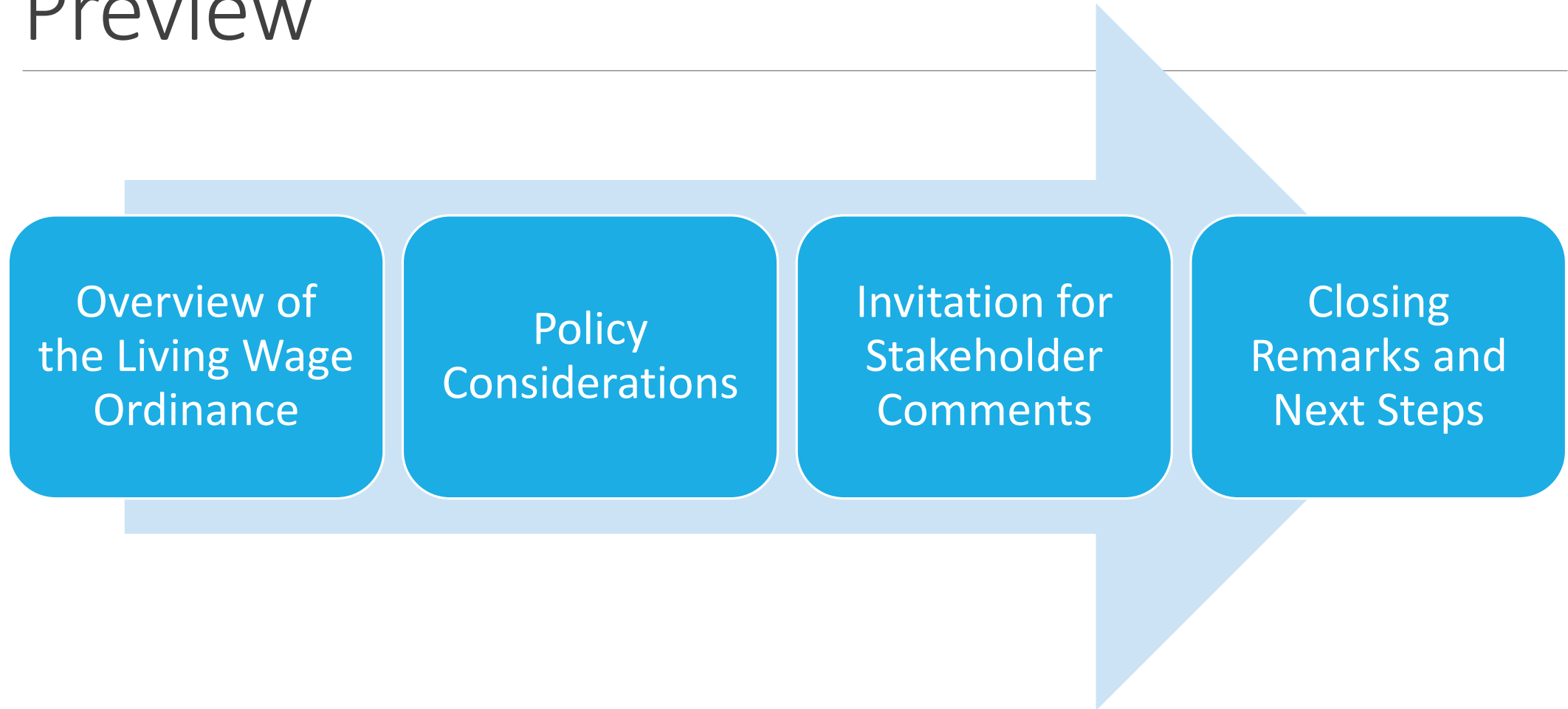
SANTA CLARA COUNTY DISTRICT TWO SUPERVISOR CINDY CHAVEZ

# Introductions & Opening Remarks

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# Preview

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# Brief History of the Living Wage Ordinance

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- Policy approved by Board of Supervisors
- Nonprofit organizations deferred until further completion of outreach process



**March 2015**

Call for problem solving process to convene two public forums on the Nonprofit Living Wage Policy



Policy effective for any new qualifying Request for Proposals over \$100,000

# Provisions of the Living Wage Ordinance and Policy

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*“Employees of County Contractors, and their Subcontractors, who provide Direct Services within the geographic boundaries of Santa Clara County...shall be compensated at least pursuant to the following standards for their work as part of the County Service Contract” (Board of Supervisors Policy 5.5.5.5: Living Wage Provisions in County Contracts)*

*Direct services are services for which the County directly contracts, and are expressly specified in the contract.*

Living Wage w/o  
Health-Benefit Credit  
and Retirement Credit

• \$19.06

Living Wage w/either  
Health-Benefit Credit  
and Retirement Credit

• \$17.06

Living Wage w/ both  
Health-Benefit Credit  
and Retirement Credit

• \$15.06

# Living Wage Rates (FY 16-17)

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Living Wage w/o  
Health-Benefit Credit  
and Retirement Credit

- \$21.39

Living Wage w/either  
Health-Benefit Credit  
and Retirement Credit

- \$19.39

Living Wage w/ both  
Health-Benefit Credit  
and Retirement Credit

- \$17.39

# Current Exemptions

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Does not include:

Volunteers

Interns

On-call and per diem wages

Reimbursements by stipend

Hourly wages not paid by County Services Contracts

Employees working for less than 5 hours per week

# Current Exemptions Continued

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## Certain type of agreements:

Community Based Organizations

Public Works Projects

Revenue Agreements, or where reimbursement to contractor is linked to a match from another entity, whether or not the revenue is through the County to another entity or utilized directly by the County

Compensation Contracts

Intergovernmental Agreements

IHSS Contracts

Contracts with County Employees

Contracts under \$100k for their term

The collective bargaining agreement for applicable parties (e.g. vendors) shall supersede the Living Wage Policy requirements

The Board of Supervisors, at its sole discretion, or that of its designee, may grant an exemption from some or all of the Living Wage Policy for individual contracts



# Lessons Learned from Current Policy

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- Living Wage Policy has been applied in the County for 15 months
- 94 RFPs were issued in FY 15-16 (182 total solicitations)
- 49 solicitations had Living Wage applied
- 11 solicitations were dependent on corporate structure of the winning bidder, so Living Wage might have applied

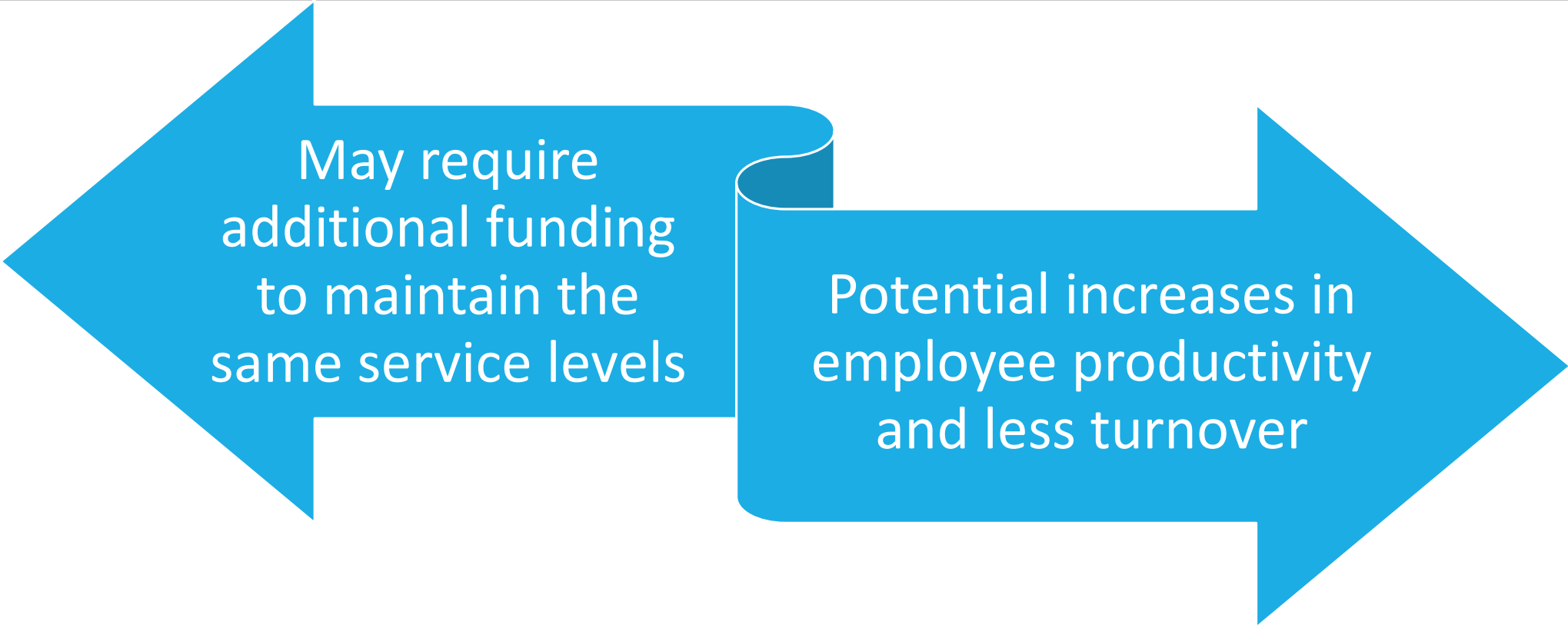
# Policy Considerations Raised by Nonprofit Contractors

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- Staff met with nonprofit contractors and County counterparts to document concerns
- The following are some of the broad issues raised to date from nonprofit contractors

# Concern: Additional Costs May Reduce Amount of Services Offered

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May require additional funding to maintain the same service levels

Potential increases in employee productivity and less turnover

# Concern: Pay Compaction

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**Lateral:** may result in pay inequities between employees doing the same work but for different agencies

**Vertical:** pay compaction between supervisors and their employees

# Concern: Timeline

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Unclear  
implementation  
timeline may have  
adverse effects on  
active solicitations

# Concern: Competitive Disadvantage for Those Meeting the Living Wage

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If Living Wage does not apply to all vendors, then those who do not pay living wage have a competitive advantage over those that do

# Comments from Stakeholder Organizations

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- Silicon Valley Council of Nonprofits (SCVN)
- Behavioral Health Contractor's Association (BHCA)
- Working Partnerships

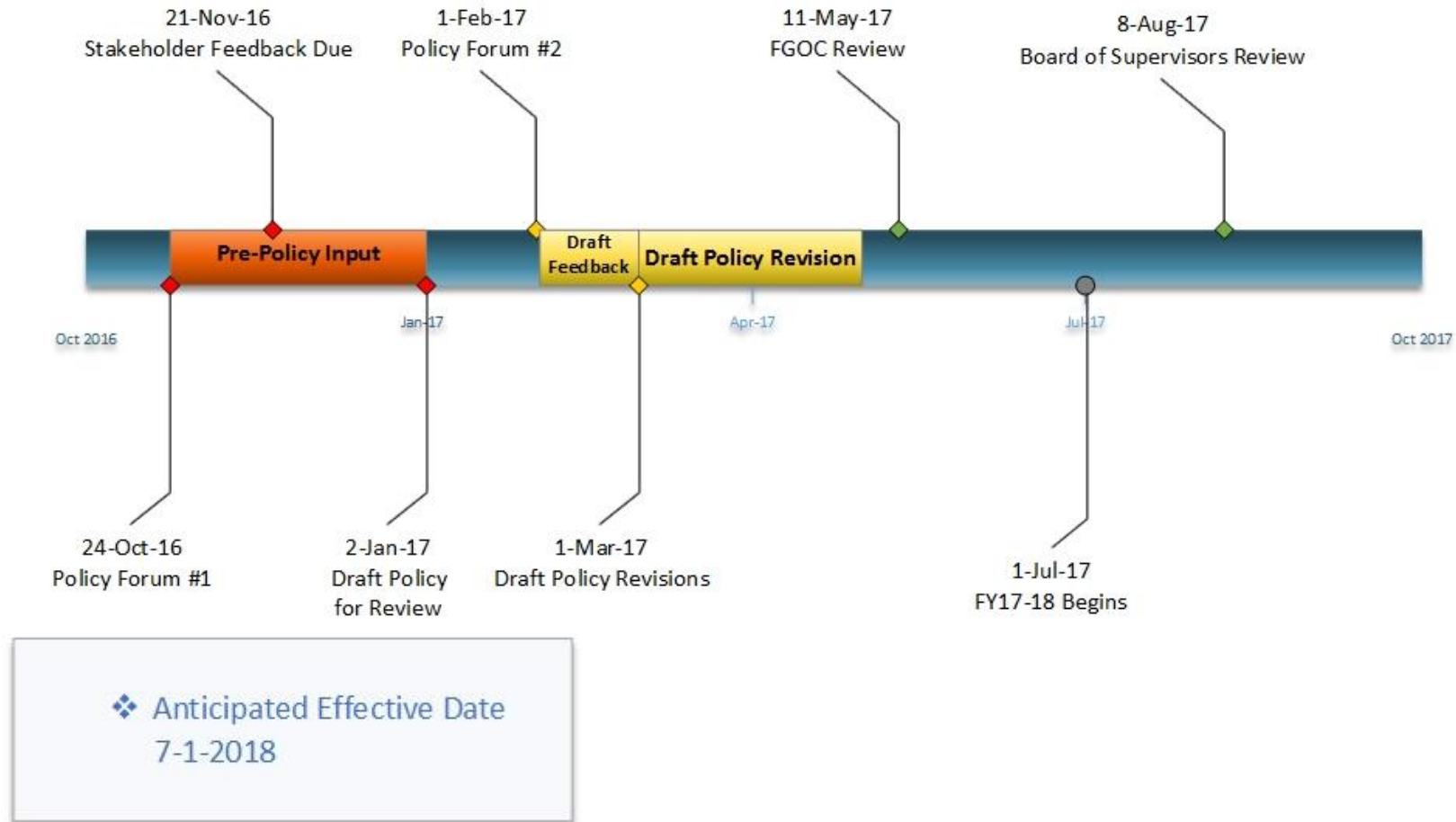
# Guidelines for Comments

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- Submit your speaker cards
- Time will be allocated depending on the total number of speakers
- Your name will be called
- This meeting is being recorded, and audio will be on the website



# Potential Timeline for Development of a Living Wage Policy for Nonprofit Contractors



# Closing Remarks & Next Steps

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- Next forum will consider all comments and review a draft policy
- Provide additional comments or questions by emailing: [livingwage@ceo.sccgov.org](mailto:livingwage@ceo.sccgov.org)