

To: Antoinnae Comeaux and Michael Fogelstein, SCC Office of the County Executive

LifeMoves provides essential shelter and services for homeless families and individuals across Santa Clara and San Mateo counties. We support the implementation of a living wage applicable to non-profits in Santa Clara County. However, because our revenues are tied to fixed contracts with the County and other government entities, we expect that the implementation will also include adjustments in County contract revenues to help us fund the increased labor costs. The increases outlined in the Santa Clara County proposal would produce an overall increase in our labor costs of approximately 15% (over \$1.4 million). Because labor costs represent more than 50% of our operating expenses, these increases will significantly affect our ability to continue to offer services unless our contracts are adjusted accordingly.

In evaluating the proposal, we have considered the following factors:

- Since our work spans both Santa Clara and San Mateo counties, any wage increase would need to be implemented across our labor force. In our evaluation of the impact of the ordinance, we have modeled in this “horizontal compression” in our labor costs.
- Similarly, the impact of a living wage on the entry level position will also impact the salary levels in the positions immediately above the entry level. This “vertical compression” is also included in our analysis.
- Finally, we note that our shelters are funded by contracts from multiple sources – federal, state, county and city – and the wage increase will affect all employees, no matter which contract they are funded by. It is essential that the County consider the impact across all sites and programs.

San Mateo County recently adopted a living wage ordinance which applies to nonprofits and will be phased in over a three year period. This “phasing in” approach is critical in allowing non-profits to plan for and adjust to the mandated wage increases. We strongly encourage Santa Clara County to follow a similar multi-year pathway in applying the living wage ordinance to non-profits who comprise a key element of the social safety net.

Thank you for your consideration and for inviting our input so we can work together to successfully implement a living wage for our dedicated staff.

Kind Regards,

**Bruce Ives**  
Chief Executive Officer

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