



Public Forum #2 on Living Wage and Nonprofits

MARCH 7, 2017

SANTA CLARA COUNTY DISTRICT TWO SUPERVISOR CINDY CHAVEZ



Opening Remarks



Agenda

Review Draft
Policy

Stakeholder
Questions &
Comments

Closing
Remarks and
Next Steps



Guidelines for Comments

- Submit your yellow speaker cards
- Your name will be called
- This meeting is being recorded, and audio will be on the website

Developing a Nonprofit Living Wage Policy



- March 2015 there was a call for a problem solving process to convene two public forums on a Nonprofit Living Wage Policy
- At the last forum on October 24, 2016, Administration collected feedback on a potential living wage policy for nonprofits and administration compiled and reviewed all responses
 - Over 25 organizations provided written comments or testimony at the hearing
 - Many cited concerns of their funding and service levels, and the need to fundraise significant amounts
 - Respondents expressed wanting to aspire to be a Fair Wage employer, despite varied funding sources for similar positions
 - There was a consistent request for additional flexibility

Developing a Nonprofit Living Wage Policy



- Administration developed and distributed an anonymous survey on wage data to nonprofits in December 2016 and analyzed responses
 - Approximately 50% (80 out of 149) of those invited and eligible to take the survey provided a response
 - Average number of contracts per organization was 4.6 (SD 5.7, range 1-24)
 - 55% (38 out of 69) of applicable survey respondents answered “yes” to whether employees and subcontractors are paid at or above current living wage rates (\$17.39, \$19.39 or \$21.39)
 - Multiple organizations, including those that do not currently meet Living Wage rates, reported that they offered some level of tuition reimbursement or professional development benefits, as well as other generous benefits such as vision and dental
 - Of organizations who do not currently meet the living wage rates, common job titles that were paid below \$17 an hour included childcare workers, program assistants/aides, administrative staff, food service workers, and some residential staff



Provisions of the Current Living Wage Ordinance and Policy

“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

These are the wage rates at the time of adoption of the policy, and are not the current ones.



Types of Employees not Subject to Provisions

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 on a County Contract



Limitations of the Current Living Wage Policy

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

Per Ordinance Code, the Board of Supervisors, at its sole discretion, or that of its designee, may grant a contract exemption from some or all of this policy. Exemptions are granted after a finding of a) undue economic hardship, b) necessary for County's interests or c) a sole or single source contract is appropriate.



Draft Provisions of a Nonprofit Living Wage Policy

- Phase in the living wage rates for nonprofits over a three-year period
 - Beginning July 1, 2018 and reaching full rate by July 1, 2020
- Provide additional \$1 wage credits specifically for nonprofit organizations that provide sizeable fringe benefits for each of the following:
 - Tuition reimbursement or professional development benefits valued at least \$2,000 per year
 - Vision **and** dental insurance
 - Healthcare and retirement wage credits remain available (\$2 each)
- Establish a per-contract exemption approval process if implementing the policy is proven to cause undue economic hardship on one of the parties to the contract or their employees
- The Nonprofit Living Wage Policy will be a stand-alone policy



Phase-in of Wage Rates for Nonprofits (Before Applying Wage Credits)

	Current rate (effective July 1, 2016)	July 1, 2017	July 1, 2018	July 1, 2019	July 1, 2020
Full Living Wage Rate	\$21.39	\$22.29 (projected)	\$23.22 (projected)	\$24.20 (projected)	\$25.21 (projected)
Nonprofit phased-in Living Wage Rate	--	--	\$19.73*	\$22.39 (projected)	\$25.21 (projected)
Percent of Full Living Wage Rate	--	--	85%	92.5%	100%

These rates are for illustrative purposes only, and the actual rates will be determined by the City of San Jose, mirroring their Living Wage Rates each year.

Examples of Applying Wage Credits for Nonprofit Organizations

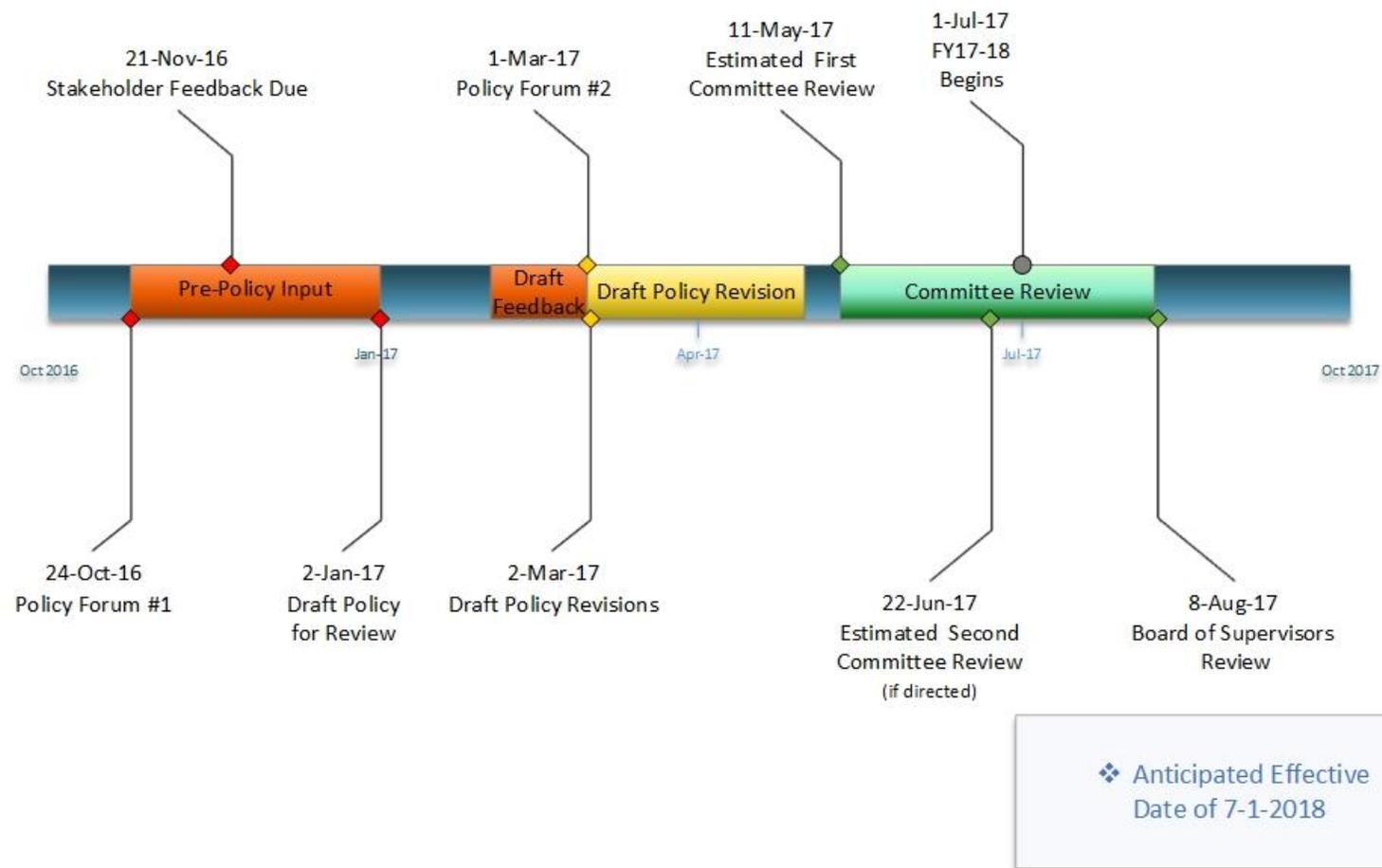


	July 1, 2018 (projected)	July 1, 2019 (projected)	July 1, 2020 (projected)
Living Wage with <u>no</u> Qualifying Wage Credits	\$19.73	\$22.39	\$25.21
Living Wage with <u>either</u> Health Benefit Credit <u>or</u> Retirement Benefit Credit	\$17.73	\$20.39	\$23.21
Living Wage with <u>both</u> Health Benefit Credit <u>and</u> Retirement Benefit Credit	\$15.73	\$18.39	\$21.21
Living Wage with <u>either</u> Health <u>or</u> Retirement Benefit Credit, <u>and</u> Vision <u>and</u> Dental Benefit Credit <u>or</u> Tuition Reimbursement/Professional Development Credit	\$16.73	\$19.39	\$22.21
Living Wage with <u>all Qualifying Credits</u> (Health Benefit, Retirement Benefit, Vision and Dental Benefit, and Tuition Reimbursement/Professional Development)	\$13.73	\$16.39	\$19.21

During the phase-in period, it's possible for the County's Living Wage Rate to actually be lower than other jurisdictions' minimum wage rates. This policy is intended to only express a minimum level of compensation and ultimately once it's fully implemented, the Nonprofit Living Wage Rates should not conflict with nearby cities.



Timeline for Development of a Living Wage Policy for Nonprofit Contractors





Closing Remarks & Next Steps

- Next step: review policy in Finance and Government Operations Committee (FGOC) and/or Children, Seniors and Families Committee (CSFC) likely in May