

WORKING PARTNERSHIPS USA

To: Santa Clara County Supervisor Cindy Chavez
Chief Operating Officer Miguel Márquez
Office of Countywide Contracting Management

From: Elly Matsumura, Working Partnerships USA and Silicon Valley Living Wage Coalition

Re: Draft Proposed Policy, Living Wage Provisions in County Contracts with Community-Based Nonprofit Service Providers

Date: March 7, 2017

The Silicon Valley Living Wage Coalition wishes to thank Supervisor Chavez, her staff, COO Márquez and the staff of the Office of Countywide Contracting Management for the thoughtful draft policy, the engagement process that informed it and the opportunity to provide comment now. We are in support of the proposed phased-in approach to ensuring that nonprofit employees working on County contracts for services are earning the living wage. We deeply believe that the goals of providing excellent and adequate County services via nonprofit contractors and of creating wages and job standards that promote the economic security of workers and their families are compatible and can be advanced through this policy.

Towards that end, we submit the following requests and recommendations as the County collaborates with stakeholders to refine and finalize this policy:

- 1) **We support the draft policy's inclusion of the non-compensation-related provisions of the existing living wage ordinance and policy. We request that the County provide complete language in the Board Policy Manual for the fair workweek, labor peace, local hiring, targeted hiring and worker retention components of the living wage ordinance.**
 - a. We believe that this action is needed for the existing ordinance and section of the Board Policy Manual, not only for the forthcoming policy for nonprofit contractors.
 - b. A variety of employment-related factors beyond wages and benefits are contributing to staggering economic insecurity of workers and households in our county, which in turn strains the resources of both the County and our local nonprofit service providers.
 - c. The living wage ordinance is structured such that the ordinance provides definitions and the broad components of the living wage and the Board Policy Manual provides the specific policy language that allows affected parties to understand and implement the ordinance. Currently, a number of the non-compensation provisions are defined in the ordinance but not elaborated – or in the case of labor peace, not sufficiently elaborated – in the Board Policy Manual. The absence specific policy language presents a barrier to workers who need to request their rights and to employers working to comply.
 - d. In addition, we support the application of the living wage ordinance and policy to employees of County contractors and their subcontractors who provide direct services within the geographic boundaries of the state of California, instead of the current limitation to those within the geographic boundaries of Santa Clara County. We believe this change would avoid creating an unequal playing field for contractors based on their geographic location and that implementation within the state is feasible.

- 2) **We request clarification of the meaning and intended effect of the proposed limitations** regarding contracts where reimbursement to the contractor is linked to a match from another entity and regarding compensation contracts so that we and other stakeholders can provide feedback on these limitations before the policy is finalized. We aim to ensure that these limitations avoid unintended consequences and achieve what we believe is the intended effect: limiting the living wage's application to contracts for which the nature of the funding makes such an application impracticable.

- 3) Finally, as we noted in our comments at the forum on October 24, 2016, **we support the draft policy's inclusion of a one-year waiver** for nonprofit contractors for which application of the living wage would present an undue economic hardship. We believe that **the waiver process must include an opportunity for public engagement**.
 - a. Such a change will ensure that those affected by waiver decisions, including workers and their representatives and allies, can weigh in before such decisions become final.
 - b. As the County continues to flesh out how the waiver process will be implemented, we look forward to collaborating with other stakeholders to craft an oversight method that balances the need for efficiency with the need for transparency and engagement.

We look forward to continuing to collaborate with the County and other stakeholders to complete a living wage ordinance that is fair to all and maximizes the effectiveness of the County and its contracting dollars in achieving its mission and promoting the public good.