

Step 1: What is your proposal and the desired results and outcomes?

- 1. Describe the policy, program, practice, or budget decision (for the sake of brevity, we refer to this as a “proposal” in the remainder of these steps)**

The County’s Living Wage Ordinance (LWO) was implemented in 2016. Potential changes and updates to the ordinance are currently under consideration by the Board.

Unlike minimum wage, living wage requirements typically are more limited and most commonly only apply as a condition of a government contract. A living wage is generally defined as the lowest hourly wage that can support subsistence needs. These needs vary based on a variety of factors, including family size and circumstances, lifestyle, and the cost of living in a certain area. Whether to enact living wage requirements (typically, via local legislation) is a policy decision at the discretion of local jurisdictions for their communities.

- 2. What are the intended results (in the community) and outcomes (within your own organization)?**

Intended results in the community:

The LWO is an important way that the County promotes doing business with contractors who support their employees. The primary intended result in the community is to increase the well-being of covered employees by ensuring that those individuals receive at least the LWO-established hourly rate.

The intended outcome for the County is to have a revised LWO that addresses the Board’s priorities with associated processes that are easy for both contractors and County staff to understand and implement.

- 3. What does this proposal have an ability to impact?**

A revised LWO has the ability to impact workforce equity for LWO-covered employees and government practices through improved processes. LWO-covered employees would receive the LWO hourly rate and a COLA in accordance with the policy established by the Board. Lessons learned from the first six years of LWO implementation will inform internal process improvements, improving the perception of the County as a place of business.

Step 2: What’s the data? What does the data tell us?

1. Will the proposal have impacts in specific geographic areas (neighborhoods, areas, or regions)? What are the racial demographics of those living in the area?

The County does not track individual-level employment and geographic data of its contractors, a subset of which are LWO-covered employers and their staff, nor are contractors required to provide employee-level information. Assumptions can be made that the LWO would likely impact women and minorities, who are often employed in lower-paying jobs, and therefore live in lower-income neighborhoods.

2. What does population level data, including quantitative and qualitative data, tell you about existing racial inequities? What does it tell you about root causes or factors influencing racial inequities?

Because demographics of individuals working on County contracts are unknown, the following provides a general picture of racial inequities in Sonoma County.

With a population of 489,000, Sonoma County is 58% White, 29% Latino, 5% Asian/Pacific Islander, and 2% Black.

Analysis from the 2021 update of the Portrait of Sonoma reveals that the County’s overall Human Development Index (HDI) score, comprised of health, education and earnings measures, is 6.19 out of a maximum total score of 10.00. The HDI score for the four largest racial/ethnic groups are as follows: White 6.74, Latino 4.93, Asian 6.86, and Black 3.99. Multiple factors, including access/affordability of housing, immigration status, racial discrimination, employment stability and wages, language barriers, access to health care, and access to education, can be attributed to the differences in these scores.

The [Bay Area Equity Atlas](#) defines the labor force participation rate as “the share of the civilian noninstitutionalized population” held by “those who are employed or unemployed” of a specific population. According to 2019 data (represented by five-year averages, i.e., 2015-2019) from the [Bay Area Equity Atlas](#), Black workers ages 25 to 64 in Sonoma County had the lowest labor force participation rate at 71%, followed by Asian or Pacific Islander at 78%, White at 80%, and Latinos at 81%.

Additionally, the County has experienced and continues to be impacted by multiple, devastating disasters, including the 2017 firestorm, Kincadee, Walbridge and Glass fires, the 2019 flood, and the Covid pandemic. Broadband access is neither consistent nor available county-wide, due to population, infrastructure, and/or geographical hurdles, and this is also a limiting factor for basic access to health care and education, in our increasingly on-line environment.

3. What performance level data do you have available for your proposal? This should include data associated with existing programs or policies.

Totals from self-reported data from 400 contractors notified of the 2021 Living Wage hourly increase include 85 employees being affected by the rate increase, resulting in an estimated

\$83,000 increase in contract expenditures. As stated previously, the County does not track individual-level employment and geographic data of LWO-covered employers and their staff.

Qualitative feedback from County departments regarding LWO process and impact on doing business indicate that the LWO implementation and process have room for improvement. Current process often results in frustration from both County staff and contractors due to payments being held up, multiple agreements with the same contractor, and inordinate amounts of time chasing down LWO paperwork to execute a contract.

4. Are there data gaps? What additional data would be helpful in analyzing the proposal? If so, how can you obtain better data?

Data on LWO-covered employers whose LWO-covered employees live in Sonoma County is unavailable. As stated earlier, the County does not track individual-level employment and geographic data of its contractors, a subset of which are LWO-covered employers and their staff, nor are contractors required to provide employee-level information. The data requirements and process for collection and maintenance of individual-level data have not been a priority of County leadership to date as related to the LWO, and any requirement for collection of that data would likely be perceived as burdensome by LWO-covered contractors.

Staff also spoke to other counties with LWO's to understand how they measured any benefit from LWO, and they also do not track this data at an individual level.

Staff is optimistic that any improved data systems that may result from the larger, procurement review currently underway will help to provide basic LWO data that is currently lacking.

Step 3: How have communities been engaged? Are there opportunities to expand engagement?

1. Who are the most affected community members who are concerned with or have experience related to this proposal? How have you involved these community members in the development of this proposal?

Assumptions can be made that the LWO would likely impact women and minorities, who are often employed in lower-paying jobs, and therefore live in lower-income neighborhoods.

Staff have met multiple times with representatives from the North Bay Labor Council (NBLC), labor advocates who have shared their experience in support of LWO's in other jurisdictions. NBLC shared information they have collected and developed in support of their proposals.

Staff have also spoken with local Community-Based Organizations (CBO's). These non-profits shared that they generally pay above the County's LWO rate because it is the cost of doing business in Sonoma County. The current assumption is that CBO's and small business owners with at least five employees are the most impacted from a bottom-line perspective by the LWO.

A short survey was sent to County contractors when the hourly increase notification occurred in January 2022, and staff conducted interviews with several contractors under blanket purchase

orders (BPO) and community-based organizations (CBO). Additionally, in conjunction with the Economic Development Board, a survey was sent to the local business community.

2. What has your engagement process told you about the burdens or benefits for different groups?

The BPO's and CBO's interviewed are already paying above the living wage rate. It is a cost of doing business in order to hire qualified staff in today's employment environment.

Predictable cost-of-living adjustment (COLA) increases to the County's hourly living wage rate would benefit both covered contractors and their employees. Contractors would be better able to anticipate an increase over the duration of their County contract, and the buying power of their employees would also increase.

In discussing adding a potential provision to the LWO for sick time, labor advocates have stated that those on the lowest end of the pay scale would benefit from such a provision. It is also acknowledged that County contractors have different methodologies for paid time off accrual and even variations in holidays granted to their employees. Challenges remain regarding implementation and enforcement; this issue will be discussed at the Board's 6/12/23 meeting.

3. What has your engagement process told you about the factors that produce or perpetuate racial inequity related to this proposal?

As stated previously, the County does not track individual-level employment and geographic data of its contractors. The County doesn't have the granular data to understand how or if the living wage ordinance affects residents in this County. Whether to require individual-level demographic information of contractor employees is a policy decision that is larger than the LWO. Again, the data requirements and process for collection and maintenance of individual-level data have not been a priority of County leadership to date as related to the LWO, and any requirement for collection of that data would likely be perceived as burdensome by LWO-covered contractors.

Step 4: What are your strategies for advancing racial equity?

1. Given what you have learned from research and stakeholder involvement, how will the proposal increase or decrease racial equity? Who would benefit from or be burdened by your proposal?

The intent of the LWO is to ensure that the County contributes to the mitigation of income inequality and poverty in the County. Employees of covered contractors who live in Sonoma County and whose pay rate is at the living wage level would benefit from consistent, annual evaluation by the County of the hourly rate and also from awareness of the ordinance itself.

Further consideration to the LWO's implementation and processes is needed to ensure that its intent is actually achieved. Prospective or current County contractors, especially smaller ones,

might be burdened from the LWO, from a budgetary and ease-of-doing-business with the County perspective. It is unknown whether changes to the LWO would increase or decrease racial equity, given the lack of data previously outlined.

2. What are potential unintended consequences? What are the ways in which your proposal could be modified to enhance positive impacts or reduce negative impacts?

An unintended consequence of the LWO is that doing business with County is more difficult – especially for smaller businesses and CBO’s. Potential changes to the LWO may help to clarify/simplify compliance of the LWO process. In the event that a covered contractor with LWO-eligible employees was found to be out of compliance, back wages could be due.

3. Are there complementary strategies that you can implement? What are ways in which existing partnerships could be strengthened to maximize impact in the community? How will you partner with stakeholders for long-term positive change?

Staff is optimistic that any improved data systems that may result from the larger, procurement review currently underway will help to provide basic LWO data that is currently lacking. Continued education and communication strategies regarding LWO will help to ensure that local businesses and CBO’s (continue to) view the County as a welcoming place to do business.

4. Are the impacts aligned with your community outcomes defined in Step #1?

Yes

Step 5: What is your plan for implementation?

1. Describe your plan for implementation.

After Board direction on all of the areas prioritized for further consideration (e.g., paid time off, responsible bidder, model language, options for part-time hours, retention, enforcement models, fair and airport, COLA), staff will return with draft language for a revised ordinance. The work involved with this project has included soliciting feedback from local CBO’s, discussions with local labor advocates, and soliciting feedback from the local business community.

Staff expects to receive Board direction on the remaining proposals on 6/12/23.

2. Is your plan:

Realistic?

Adequately funded?

Adequately resourced with personnel?

Adequately resources with mechanisms to ensure successful implementation and enforcement?

Adequately resourced to ensure on-going data collection, public reporting, and community engagement?

If the answer to any of these questions is no, what resources or actions are needed?

Implementation of any new processes or changes for LWO, if approved by the Board, may require additional staff, depending on the level and requirements of the change.

Step 6: How will you ensure accountability, communicate, and evaluate results?

1. How will impacts be documented and evaluated? Are you achieving the anticipated outcomes? Are you having impact in the community?

As stated previously, the County does not track individual-level employment and geographic data of its contractors. The County doesn't have the granular data to understand how or if the living wage ordinance affects residents in this County. Staff is optimistic that any improved data systems that may result from the larger, procurement review currently underway will help to provide basic LWO data that is currently lacking. The mechanisms the County currently has to enforce the LWO come through language in its contract agreements but there is no mechanism to evaluate direct impacts.

2. What are your messages and communication strategies that will help advance racial equity?

After the LWO is updated, bullets about the LWO will be included on the materials that provide living wage rate information to employees of contractors. Information on the County's procurement website will continue to educate both the local community and County staff about the ordinance.

3. How will you continue to partner and deepen relationships with communities to make sure your work to advance racial equity is working and sustainable for the long haul?

Staff will strive to seek input from the community, following the guidance from the Community Engagement Strategy that is currently under development by the Office of Equity. The LWO could be included as a key topic for the public and for those with whom staff has already engaged, including CBO's and NBLC.