



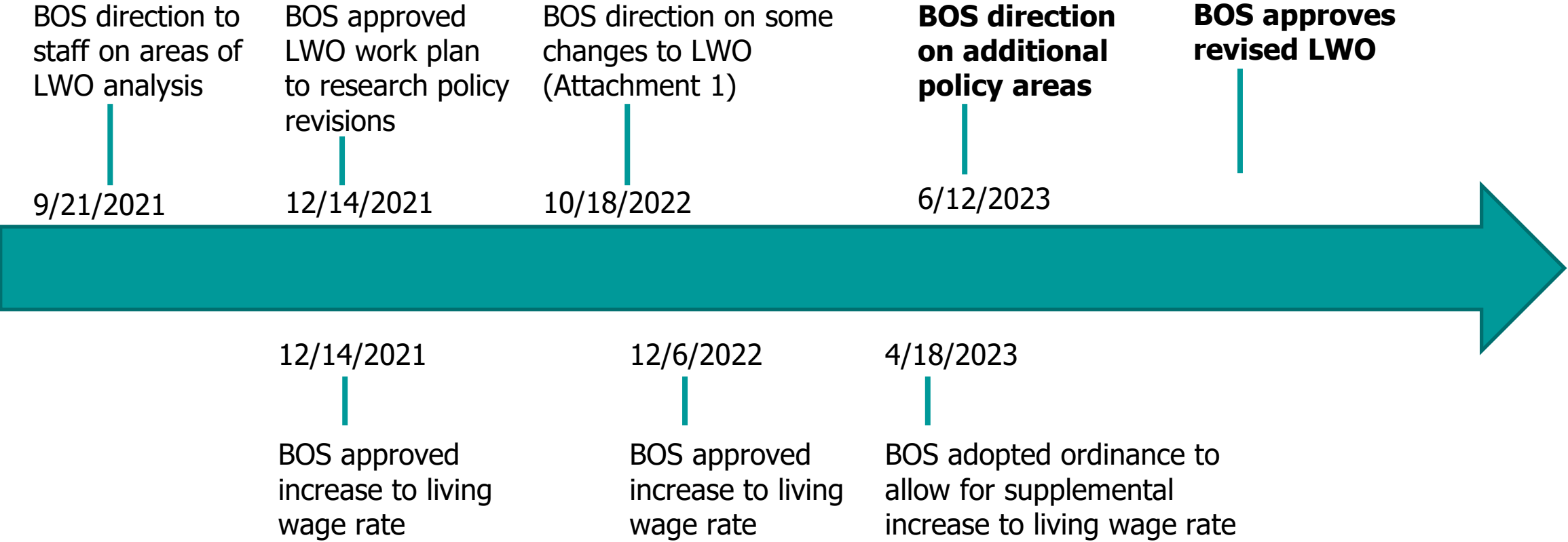
# Living Wage Ordinance Revisions

June 12, 2023

# Recommended Actions

- A. Provide direction to staff on the following potential changes to the Living Wage Ordinance (LWO):
  1. Cost of Living Adjustment (COLA) parameters;
  2. Whether lessees and concessionaires should be covered under the LWO, and how;
  3. Whether to add a paid time off (PTO) requirement or other provision to the LWO.
- B. Establish a Periodic LWO Rate Review
- C. Confirm the draft, proposed Living Wage Ordinance (LWO) amendments as to other changes and direct staff to return to the Board for the required ordinance process to formally initiate and adopt the amendments.

# Living Wage Ordinance Timeline



# Living Wage Ordinance Discussion

## Part One

- Policy areas needing Board direction and Living Wage Ad Hoc Committee recommendations

## Part Two

- Draft amendments to the LWO reflecting prior Board consensus on policy areas and administrative changes

# Part One – Outstanding Policy Areas

- 1a – COLA Upper Limit
- 1b – Hourly Rate Periodic Adjustment
- 2 – County Concessionaires and Lessees
  - 2a – Airport
  - 2b – Fair
- 3 – Paid Time Off

# Part One – 1a COLA Upper Limit

Cap options reviewed and recommended by Living Wage Ad Hoc Committee (Supervisor Hopkins and Supervisor Rabbitt)

- Establish a specific cap percentage as the upper limit of any COLA increase
- Use COLA increases in SEIU 2023-2026 labor agreement (5.0% effective May 2023; 4.5% effective March 2024; 4.0% effective March 2025)
- Use annual October San Francisco-Oakland-Hayward CPI-U
- Do not specify upper limit

# Part One – 1b Hourly Rate Periodic Adjustment

Living Wage Ad Hoc Committee recommends a periodic review

- Separate from the annual COLA increase, consider potential adjustment of living wage rate every 4 years
- “True-up” adjustment at Board discretion based on periodic review
- If approved, staff recommends adjustment occurs after implementation of revised Living Wage Ordinance and after July 2024 living wage COLA adjustment

# Part One – 2 County Concessionaires and Lessees

Should the LWO apply?

- Currently, concession agreements, leaseholders, and employees on seasonal projects less than six months in duration are exempt
- General considerations



# Part One – 2a & 2b County Concessionaires and Lessees

Should the LWO apply to the Airport and Fair?

## ▪ **2a – Airport**

- **1** - No change
- **2** - Apply LWO on same terms as applied to all other lessees/concessionaires
- **3a** – LWO applicable to leases, concessions or franchises which employ 25+ employees and have \$350,000 or more in annual gross receipts
- **3b** – LWO applicable to leases, concessions or franchises which employ 50+ employees and have \$500,000 or more in annual gross receipts
- **4** – Apply to all lessees and concessionaries, regardless of entity operation, scale, amount of employee, etc.

## ▪ **2b – Fair**

- **All Airport options**
- **3c** - Lessees and concessionaires 50+ employees and greater than \$500,000 in annual gross receipts, plus tenancy of greater than six months

# Part One – Paid Time Off (PTO)

Should the LWO have a PTO requirement or other provision applicable to LWO-covered employers?

If adopted, should PTO formula for accrual be pro-rated and have a gradual accumulation of PTO hours over time?

## California Paid Sick Leave

- 1 hour PTO per 30 hours worked, or 3 days per year
- Work for same employer for at least 30 days/year
- Requires 90-day employment before taking any paid sick leave

# Part One – 3 Paid Time Off (PTO) Options

Should the LWO have a PTO requirement or other provision applicable to LWO-covered employers?

- **3 – Paid Time Off**

- **1** - No change
- **2** - Employer voluntary paid leave: County offers a preferential factor in awarding contracts greater than \$50,000, with 12 paid days (excluding holidays) as the high bar
- **3** – Specify the number of paid days leave but include holidays in PTO total
- **4** – Covered employees earn at least one hour of compensated time off per 20 hours worked, up to a maximum of 12 days earned per year

# Part Two – Tentative Draft Amendments to LWO

Board direction 10/18/22 (Attachment 2)

1. Include/exclude County employees in LWO
2. Location of living wage-covered employees
3. Exemption for emergency contracts
4. Living Wage COLA
5. ***Paid Time Off (PTO) - Today's Discussion***
6. Hours for part-time employees
7. Employee retention
8. Responsible bidder
9. ***Lessees and Concessionaires, including fair and airport - Today's Discussion***
10. Model language
11. Enforcement

# Part Two – Tentative Draft Amendments to LWO

## Other Revisions

1. Administrative reflecting operational and program administration experiences and best practices
2. Revisions to conform with other proposed changes
3. Routine “clean up” edits

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