



THE CITY OF SAN DIEGO

OFFICE OF THE INDEPENDENT BUDGET ANALYST REPORT

Date Issued: January 24, 2014

IBA Report Number: 14-04

City Council Date: January 28, 2014

Item Number: S501

Comparative Analysis of Living Wage Ordinance Enforcement Provisions in Other Cities

BACKGROUND

The Budget and Finance Committee received an annual report on the City's Living Wage Ordinance (LWO) for FY 2013 on October 30, 2013. Following the report, Interim Mayor Gloria addressed the Committee to affirm his support of the LWO and request that staff be asked to return with suggestions for updating and improving the City's LWO. In response to the report and the request, the Committee requested the Living Wage Office come back to Committee early in 2014 with recommendations to clarify and improve the enforceability of the LWO.

On January 15, 2014, the Economic Development and Intergovernmental Relations Committee received a report from the Living Wage Office providing suggestions to clean up, clarify and strengthen the City's LWO. The Committee also received a memorandum from the Office of the City Attorney (OCA) dated January 14, 2014 raising legal concerns related to a few of the proposed amendments, noting they had limited time to review the proposals.

The Committee directed staff to 1) work with the OCA to address concerns raised in their memorandum and 2) address modifications suggested by Councilmember Emerald. Additionally, the Committee requested the IBA provide comparative analysis regarding other cities' enforcement of living wage ordinances. This report provides information on enforcement provisions found within living wage ordinances of other California cities and counties (see Attachment).

FISCAL/POLICY DISCUSSION

The IBA understands LWO staff has worked with the OCA to develop an ordinance that satisfactorily addresses their cited concerns. Staff has also addressed each of Councilmember Emerald's suggestions in the Executive Summary for the requested Council action.

In response to Committee direction, the IBA has summarized comparative LWO enforcement provisions for employees and agencies (cities and counties). Our attachment contrasts current City LWO enforcement provisions with those being proposed in the ordinance before the Council. Additionally, we have reviewed and summarized enforcement provisions in 10 of the larger California jurisdictions with adopted living wage ordinances:

San Francisco (city and county)	Oakland
Los Angeles (city)	Irvine
Los Angeles (county)	Pasadena
San Jose	Berkeley
Sacramento	Ventura

The amendments in the proposed ordinance should strengthen the enforceability of the City's LWO. Based on our review, the proposed LWO amendments would make the City's LWO enforcement provisions among the strongest in the state. It is important to note that stronger enforcement provisions will only be effective if there is sufficient staff to monitor and enforce compliance.


The IBA received Councilmember budget priority memos on January 17, 2014. Citing insufficient program staffing and a need for increased monitoring, five Councilmembers have requested 2.0 additional FTEs be added to the Living Wage Office. As mentioned in the staff report to Council, additional staff will enable expanded monitoring to better accomplish the intent of the LWO policy.

CONCLUSION


As requested by the Economic Development and Intergovernmental Relations Committee, the IBA has summarized comparative LWO enforcement provisions for employees and agencies (cities and counties). This information will allow the Council to compare proposed LWO enforcement provisions with those in other larger California jurisdictions. The proposed modifications would make the City's LWO enforcement provisions among the strongest in the state; however, stronger enforcement provisions will not improve compliance without sufficient staff to monitor City contracts with LWO requirements.



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Attachment: 1. Living Wage Ordinance Enforcement Actions