



Description

The Compliance Department provides compliance and enforcement support for both internal and external stakeholders in the following areas: City wage laws and labor standards, the City's new Project Labor Agreement for City-procured Capital Improvement Projects, the occupational safety and health of City staff, City responses to internal and external audits, and compliance with external agency regulations including Title VI requirements. The Department also houses the Administrative Hearings program that provides appeals services to City departments. This program ensures that due process is maintained from the initial notice of hearing to the final decision.

Enforcement of the City's Living Wage, Prevailing Wage, and Minimum Wage and Earned Sick Leave Ordinances are provided by the Compliance Department's Office of Labor Standards and Enforcement (OLSE.) OLSE staff ensure compliance with City wage ordinances by responding to complaints; conducting site visits and investigations; and, for those City contracts subject to Living and Prevailing Wage Ordinance requirements, conducting payroll monitoring.

Compliance Department's Occupational Safety and Health (OSH) team provides City departments with a central resource on safety standards and regulations, departmental safety plans, workplace ergonomics, and guidance on the implementation of safety protocols. This group provides support to safety teams in other City departments and operates as the safety team for those departments without in-house safety staff. OSH staff also work with the Risk Management department to support the City's Safety and Risk Oversight Committee.

The vision is:

To increase the quality of life for residents and City staff by enforcing labor standards and creating an internal citywide culture of safety management.

The mission is:

To serve our constituents through compliance with operational and fiscal best practices, City wage law, and employee workplace safety.

Goals and Objectives

Goal 1: *Support regional prosperity through wage and labor standards enforcement*

- Collaborate with regional agencies and organizations to provide efficient and comprehensive wage and labor standard services.
- Conduct data-driven, proactive labor compliance investigations.
- Respond quickly and thoroughly to resident complaints and to violations discovered through wage monitoring.
- Conduct education and outreach with the community to ensure workers are aware of their rights and that employers understand wage requirements and meet their obligations.

Goal 2: *Implement, maintain, and improve City workplace safety practices*

- Facilitate City compliance with federal, State, and local safety regulations.
- Improve employee safety programs.

Goal 3: *Provide excellent customer service*

- Seek feedback from internal and external stakeholders to identify areas of improvement.
- Respond timely to requests for service and support.

Goal 4: *Promote the City's non-discrimination climate and ensure compliance with federal Title VI requirements*

- Collaborate with City departments to ensure federal non-discrimination requirements are implemented across programs and services.
- Respond quickly to any formal complaints and process them according to established procedures.

Budget Equity Impact Statement

Equity Highlights

Examples from the current fiscal year.

- As of December 31, 2024, wage compliance program staff in the Office of Labor Standards and Enforcement have recovered a combined total of \$119,431 in remedies for workers.
- Office of Labor Standards and Enforcement staff have conducted outreach and education on the City's new Minimum Wage to 45 employee-based organizations, 35 employer-based groups, over 1000 subscribers to the Minimum Wage listserv, and, in partnership with the City's Communications Department, relayed information on the new Minimum Wage via a media campaign that resulted in 15 news segments reaching a viewership of over 115,000, multiple online articles, and various social media postings.
- Compliance's Title VI staff developed a training for City employees about their responsibilities under Title VI of the Civil Rights Act of 1964, and is developing the City's Language Access Plan to serve as a resource for City employees to ensure that individuals with different language preferences will have meaningful access to vital City information, programs, and activities.

Budget Equity Lens Summary

Ongoing Operations

Is there an opportunity to adjust the department's ongoing operations to mitigate the impacts of existing or potential disparities?

Yes

1. Goal 1, Objective 1 identifies the following disparity: "individual employees may find it difficult to advocate for themselves...." To help mitigate this disparity, Compliance's Office of Labor Standards and Enforcement staff will continue to collaborate with City department employees who come into contact with contractor employees to refer any complaints of violations of wage compliance laws. 2. Goal 2, Objective 1 identifies the following disparity: "safety regulations may not fully capture the safety needs of every City employee." To help to mitigate this disparity, the Compliance Department's Occupational Safety and Health team collaborated with the Performance and Analytics Department to launch a citywide safety survey to better assess employee safety needs. 3. Goal 4, Objective 1 identifies a disparity possibility that some residents may experience a barrier when accessing City services based upon their race, color, or national origin. To help mitigate this disparity, Compliance's Title VI program staff will continue to collaborate with City Departments to increase language access to City documents, programs, and services by providing trainings and resources to better meet the needs of residents with different language preferences.

Budget Adjustment(s)

Do the requests impact existing or potential disparities?

Yes

Compliance Department budget requests impact existing and potential disparities that fall under Tactical Equity Plan Goals 1 through 3. The Minimum Wage Enforcement Fee, which is a new proposed User Fee, falls under Tactical Equity Plan Goal 1 (support regional prosperity through wage and labor standards enforcement). This new revenue will support investigation and enforcement activities associated with the Minimum Wage program. Program staff investigate all alleged violations of the Earned Sick Leave and Minimum Wage Ordinance, including allegations of retaliation. Additionally, staff initiate proactive directed investigations without receiving formal worker complaints, which is intended

to assist vulnerable, low-income industries where data shows violations are likely to occur and the workforce is unlikely to file complaints. The reduction of 3.00 Safety Officer positions and 1.00 Safety Representative 2 position is expected to result in a significant reduction in support for departments and City staff related to occupational safety and health. This reduction will negatively impact Tactical Equity Plan Goal 2 (implement, maintain, and improve City workplace safety practice) and will likely increase disparities between City employees related to health and safety, as departments without their own safety teams will no longer have the support of a safety team

Key Performance Indicators

Performance Indicator	Definition	Baseline	FY2025 Performance	Goal
Continuous Improvement ¹	The number of process or program improvements that have been implemented based on customer feedback.	N/A	2	4
Outreach ²	The number of outreach events held for City departments, San Diego employers and residents.	33	37	37
Investigations & Site Visits ¹	The number of proactive investigations (investigations initiated by the department), employer site visits, and City department occupational health and safety (OHS) visits.	184	153	172

1. The FY 2025 performance estimate is projected to fall below the goal due to a reduction in staff capacity resulting from the hiring freeze.
2. Goal increased by nine outreach events for FY 2026 over FY 2025 to reflect the activities of the new Project Labor Agreement program.

Department Summary

	FY2024 Actual	FY2025 Budget	FY2026 Draft	FY2025-2026 Change
FTE Positions (Budgeted)	36.00	41.00	37.00	(4.00)
Personnel Expenditures	\$ 4,966,672	\$ 6,482,460	\$ 6,741,086	\$ 258,626
Non-Personnel Expenditures	253,413	798,876	440,795	(358,081)
Total Department Expenditures	\$ 5,220,085	\$ 7,281,336	\$ 7,181,881	\$ (99,455)
Total Department Revenue	\$ 1,871,461	\$ 1,676,666	\$ 2,339,397	\$ 662,731

General Fund

Department Expenditures

	FY2024 Actual	FY2025 Budget	FY2026 Draft	FY2025-2026 Change
Compliance	\$ 5,220,085	\$ 7,281,336	\$ 7,181,881	(99,455)
Total	\$ 5,220,085	\$ 7,281,336	\$ 7,181,881	\$ (99,455)

Department Personnel

	FY2024 Budget	FY2025 Budget	FY2026 Draft	FY2025-2026 Change
Compliance	36.00	41.00	37.00	(4.00)
Total	36.00	41.00	37.00	(4.00)

Significant Budget Adjustments

	FTE	Expenditures	Revenue
Salary and Benefit Adjustments	0.00	\$ 661,509	\$ -
Adjustments to reflect savings resulting from vacant positions for any period of the fiscal year, retirement contributions, retiree health contributions, and labor negotiations.			
Support for Information Technology	0.00	39,203	-
Adjustment to expenditure allocations according to an annual review of information technology funding requirements.			
Non-Discretionary Adjustment	0.00	13,356	-
Adjustment to expenditure allocations that are determined outside of the department's direct control. These allocations are generally based on prior year expenditure trends and examples of these include utilities, insurance, and rent.			
One-Time Additions and Annualizations	0.00	(296,918)	(102,000)
Adjustment to reflect one-time revenues and expenditures, and the annualization of revenues and expenditures, implemented in Fiscal Year 2025.			
Reduction of Occupational Safety and Health Positions	(4.00)	(516,605)	-
Reduction of 3.00 Safety Officers and 1.00 Safety Representative 2 from the City's Occupational Safety and Health Team (OSH).			

Compliance

Significant Budget Adjustments

	FTE	Expenditures	Revenue
Addition of Minimum Wage Enforcement Fee Revenue	0.00	-	764,731
Addition of revenue associated with the implementation of a new Minimum Wage enforcement fee.			
Total	(4.00) \$	(99,455) \$	662,731

Expenditures by Category

	FY2024 Actual	FY2025 Budget	FY2026 Draft	FY2025-2026 Change
PERSONNEL				
Personnel Cost	\$ 3,381,884	\$ 4,457,014	\$ 4,767,092	\$ 310,078
Fringe Benefits	1,584,788	2,025,446	1,973,994	(51,452)
PERSONNEL SUBTOTAL	4,966,672	6,482,460	6,741,086	258,626
NON-PERSONNEL				
Supplies	\$ 18,324	\$ 13,856	\$ 14,461	\$ 605
Contracts & Services	131,790	529,219	137,470	(391,749)
<i>External Contracts & Services</i>	<i>69,782</i>	<i>473,540</i>	<i>73,540</i>	<i>(400,000)</i>
<i>Internal Contracts & Services</i>	<i>62,008</i>	<i>55,679</i>	<i>63,930</i>	<i>8,251</i>
Information Technology	93,447	253,341	281,904	28,563
Energy and Utilities	5,324	1,260	4,260	3,000
Other	4,528	1,200	2,700	1,500
NON-PERSONNEL SUBTOTAL	253,413	798,876	440,795	(358,081)
Total	\$ 5,220,085	\$ 7,281,336	\$ 7,181,881	\$ (99,455)

Revenues by Category

	FY2024 Actual	FY2025 Budget	FY2026 Draft	FY2025-2026 Change
Charges for Services	\$ 1,868,634	\$ 1,676,666	\$ 1,574,666	\$ (102,000)
Fines Forfeitures and Penalties	2,500	-	-	-
Licenses and Permits	-	-	764,731	764,731
Other Revenue	328	-	-	-
Total	\$ 1,871,461	\$ 1,676,666	\$ 2,339,397	\$ 662,731

Personnel Expenditures

Job Number	Job Title / Wages	FY2024 Budget	FY2025 Budget	FY2026 Draft	Salary Range	Total
FTE, Salaries, and Wages						
20000012	Administrative Aide 1	1.00	1.00	1.00	\$ 58,356 - 70,259	\$ 70,259
20000024	Administrative Aide 2	1.00	1.00	1.00	67,180 - 80,983	74,858
20000041	Assistant Management Analyst	1.00	0.00	0.00	70,172 - 85,285	-
21000845	Associate Compliance Officer	0.00	2.00	10.00	104,788 - 126,650	1,126,765
20000145	Associate Engineer-Civil	2.00	1.00	0.00	115,403 - 139,317	-
20000119	Associate Management Analyst	11.00	12.00	4.00	85,285 - 103,085	410,378
20001101	Department Director	1.00	1.00	1.00	98,302 - 372,372	242,817
20001168	Deputy Director	1.00	1.00	1.00	78,886 - 290,057	184,472
20001234	Program Coordinator	4.00	4.00	4.00	36,364 - 218,225	638,632
20001222	Program Manager	5.00	6.00	6.00	78,886 - 290,057	1,026,750
20001042	Safety and Training Manager	0.00	1.00	1.00	102,819 - 124,600	117,878

Compliance

Personnel Expenditures

Job Number	Job Title / Wages	FY2024 Budget	FY2025 Budget	FY2026 Draft	Salary Range	Total
20000847	Safety Officer	3.00	3.00	0.00	89,186 - 107,744	-
20000854	Safety Representative 2	2.00	1.00	0.00	77,724 - 93,999	-
20000890	Senior Civil Engineer	1.00	0.00	0.00	132,962 - 160,742	-
21000846	Senior Compliance Officer	0.00	3.00	4.00	120,884 - 146,088	542,238
20000015	Senior Management Analyst	2.00	2.00	2.00	93,628 - 113,219	224,740
21000847	Supervising Compliance Officer	0.00	2.00	2.00	135,932 - 164,695	319,315
20000970	Supervising Management Analyst	1.00	0.00	0.00	100,377 - 121,605	-
	Bilingual - Regular					23,296
	Budgeted Personnel					(330,460)
	Expenditure Savings					
	Overtime Budgeted					3,400
	Termination Pay Annual					35,613
	Leave					
	Vacation Pay In Lieu					56,141
FTE, Salaries, and Wages Subtotal		36.00	41.00	37.00	\$	4,767,092

	FY2024 Actual	FY2025 Budget	FY2026 Draft	FY2025-2026 Change
Fringe Benefits				
Employee Offset Savings	\$ 11,431	\$ 15,544	\$ 10,458	\$ (5,086)
Flexible Benefits	378,285	495,794	462,924	(32,870)
Insurance	1,404	-	-	-
Long-Term Disability	13,997	16,615	23,572	6,957
Medicare	49,798	66,670	67,742	1,072
Other Post-Employment Benefits	133,903	161,382	139,502	(21,880)
Retiree Medical Trust	5,856	8,740	9,226	486
Retirement 401 Plan	24,154	36,471	38,508	2,037
Retirement ADC	824,174	1,060,112	1,076,686	16,574
Retirement DROP	6,299	2,965	3,144	179
Risk Management Administration	39,918	54,054	56,372	2,318
Supplemental Pension Savings Plan	55,401	58,954	51,195	(7,759)
Unemployment Insurance	3,783	4,727	4,416	(311)
Workers' Compensation	36,384	43,418	30,249	(13,169)
Fringe Benefits Subtotal	\$ 1,584,788	\$ 2,025,446	\$ 1,973,994	\$ (51,452)
Total Personnel Expenditures			\$ 6,741,086	