

**Meeting Date:** 10/27/2015

**Report Type:** Staff/Discussion

**Report ID:** 2015-00897

**Title:** 2015 Task Force on Income Inequality Final Recommendations and Implementing Ordinance (Passed for Publication 10/13/2015; Published 10/16/2015)

**Location:** Citywide

**Recommendation:** Pass an Ordinance implementing the 2015 Task Force on Income Inequality's final recommendations on increasing the minimum wage in the City of Sacramento.

**Contact:** Joseph Devlin, Chief of Staff, (916) 808-7005, Office Councilmember Jay Schenirer, District 5

**Presenter:** Councilmember Jay Schenirer, (916) 808-7005, District 5, and Chair of 2015 Task Force on Income Inequality

**Department:** Mayor/Council

**Division:** Council District 5

**Dept ID:** 01001151

**Attachments:**

- 1-Description/Analysis
- 2-Background
- 3-Unemployment Rates Chart
- 4-Median Annual Earnings Chart
- 5-Proposed Ordinance
- 6-Links to Papers

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**City Attorney Review**

Approved as to Form  
Steve Itagaki  
10/15/2015 2:30:41 PM

## Description/Analysis

**Issue Detail:** The growing divide of income inequality continues to be an issue in the State of California, our region and our City. Increasing the minimum wage is one approach to closing that gap. The Task Force on Income Inequality recommends incrementally raising the minimum wage in Sacramento to \$12.50 by the year 2020 with certain exemptions.

On July 28, 2015 Mayor Johnson announced the formation of the Task Force on Income Inequality. Specifically, Mayor Johnson asked the Task Force to develop a proposal for raising the minimum wage in Sacramento. The fifteen member Task Force was comprised of various stakeholders, including organized labor, business groups, nonprofits, and community groups. The Task Force met over a six week period, holding six meetings including four public meetings.

The current minimum wage in California is \$9.00 per hour and will increase to \$10.00 per hour on January 1, 2016. The Task Force recommends that City Council adopt an Ordinance increasing the minimum wage in the City of Sacramento to \$10.50 in 2017, \$11.00 in 2018, \$11.75 in the year 2019 and \$12.50 in the year 2020 with subsequent years adjusted for inflation according to the Consumer Price Index (CPI).

The Task Force also recommends four exemptions to reduce potential negative impacts to the Sacramento economy, encourage the hiring of young workers, and not disrupt important job training programs.

The Task Force took testimony from professors of economics, representatives from business and labor groups and heard over six hours of public testimony and made public their recommendation on September 2, 2015.

At its first meeting the Task Force adopted the following set of principles to guide their discussions:

1. Don't sacrifice one for the other; employers for workers or workers for employers.
2. Don't let rhetoric drive the recommendation.
3. No sticker shock to businesses.
4. Approach exemptions as incentives.
5. Cultivate a thriving economy that fosters entrepreneurship.
6. Benefit the welfare of the whole city.
7. Do no harm to the City, individuals, families, business, economy, etc.
8. Consider unintended consequences.
9. Current minimum wage cannot sustain a household.
  - o Meet basic needs of wage earners and families.
  - o Support working families in Sacramento to improve quality of life.
  - o Two adults working full time should live over the poverty level.

10. Consider both the real costs for families and the real incomes of workers.
11. Stay regionally competitive.
12. Have Sacramento lead and not limit ourselves to other cities' approaches.
13. Promote racial equity.

### **Details of the Task Force Final Recommendation**

On September 2, 2015, the Task Force released its recommendation for raising the minimum wage in Sacramento to \$12.50 by the year 2020 with certain exemptions. The recommendation of the Task Force has five components.

1. Wage and Schedule
2. Exemptions
3. Enforcement
4. Annual Review
5. Ongoing Work

#### **1. Wage and Schedule:**

Increase the minimum wage to 12.50 by the year 2020 with the following schedule.

- 2017: \$10.50
- 2018: \$11.00
- 2019: \$11.75
- 2020: \$12.50
- 2021: CPI

#### **2. Exemptions**

- Youth under the age of 18 Years of age. It is generally accepted that increases to the minimum wage have negative effects on youth employment, especially those new to the job market. This exemption will create an incentive for employers to continue to hire those new to the job market.
- Certain Workers with Developmental Disabilities. Certain exemptions exist within State law for individuals with disabilities. The intent of the Task Force and the exemption is to not preempt those existing State exemptions.
- Create a Credit for Healthcare. Quality healthcare is important to working families and their dependents. In order to encourage employers to provide high quality healthcare while maximizing the benefit to employees, the task force recommends establishing the following credit for healthcare provided to employees:

- Healthcare Credit: If the Employer pays at least \$2.00 per hour per Employee towards the premium cost of an Employee and/or dependents medical benefits plan (health, dental, vision), the Employer shall pay Employees the Minimum Wage as defined in this section, less \$1.50. Credit is applied per the following schedule: 37 cents in 2017, 75 cents in 2018, \$1.12 in 2019, and \$1.50 in 2020. In 2021 on, the credit would index with the wage increase.
  - Total Compensation: Establish a “Total Compensation” option for employers, whereby employers would be exempt from paying the increased Sacramento minimum wage if they can verifiably prove that employees have a taxable gross income greater than \$15.00 per hour.
  - Training Programs: Exempt job training program participants up to 25 years of age or part of re-entry or release job training programs operated by Nonprofit Corporations or governmental agencies. These employers provide minimum-wage jobs designed to prepare these transitional workers for the workplace.
  - Small Business Delay: Businesses with fewer than 40 employees shall have a delay in implementation of six months. Small business, claiming this exemption, would be required to follow the following minimum wage increase schedule and fully catch up to the full minimum wage plus CPI in July of 2021.
    - July 1, 2017: \$10.50
    - July 1, 2018 \$11.00
    - July 1, 2019: \$11.75
    - July 1, 2020 \$12.50
    - July 1, 2021 \$12.50+CPI
3. **Enforcement.** The Task Force recommends that the City Manager develop recommendations for Council consideration and action to ensure legal implementation of the changes in the minimum wage.
4. **Annual Review:** The Task Force recommends the City Council evaluate annually the impacts and benefits the increased minimum wage is having on the Sacramento economy. Specifically the Task Force recommends the City task the City Auditor and/or the Independent Budget Analyst with performing ongoing analysis of any impacts the change in the minimum wage has had on the local economy and report back annually to the Council at a public meeting. The City should also analyze data from other local jurisdictions. Additionally the Task Force recommends the City Council hold an annual meeting to discuss potential changes in the minimum wage and the timing of implementation in the context of the overall health of the economy

and the impacts resulting from the changes to date. The City will have the ability to adjust subsequent increases to reflect current local market conditions during this time.

**5. Ongoing Work.** As part of its discussions and deliberation the Task Force recognized that an increase in the minimum wage is only a part of addressing the issues and challenges associated with income inequality. To that end, the Task Force also asks the City Council to prioritize other critical issues that impact the lives of Sacramentans including;

- Housing
- Job Training
- Early Childhood Education Programs
- Small Business/Economic Development

Lastly, the Task Force would like to reconvene throughout the year to continue their work addressing the issues and challenges facing today's working families in Sacramento.

**Policy Considerations:** Should the City Council adopt the Task Force on Income Inequality's recommendation to raise the minimum wage in Sacramento to \$12.50 per hour by the year 2020?

**Economic Impacts:** The current minimum wage amount in the City of Sacramento is \$9.00 per hour which is the same level for the State of California. The minimum wage for both the city and state will increase to \$10.00 per hour beginning January 1, 2016. Per the Task Force's final recommendations, minimum wage amounts in Sacramento would then rise annually, settling at \$12.50 per hour in 2020. Besides wage increases to those individuals making \$12.50 or less, it can be expected that there would be wage increases for city employees who at present earn more than the recommended \$12.50 minimum wage to avoid salary compaction. Based on initial estimates for both minimum wage increases and compaction compared to current base salary, it could cost the city \$5 million to \$6 million to comply with the minimum wage change recommended for 2020 with approximately 540 full-time equivalents being affected. Of the total cost to comply, it is expected that approximately 24% would be provided by the General Fund. Additionally, for city libraries, the impact to the City of Sacramento once the minimum wage is \$12.50 is expected to be approximately \$245,000 should the decision be made to maintain the current level of service. This increased cost would cover the incremental difference for on-call staff and re-stocking positions. The estimated cost range is inclusive of the city library impact.

While the overall effect of a minimum wage and compaction increase to the city's current total budget represents less than a 1-percent change, there is concern of the impact to specific city programs that are staffed primarily with individuals earning less than \$12.50.

Both the Students Today Achieving Results for Tomorrow (START) Program, an after-school activities program, and the 4<sup>th</sup> “R”, year-round childcare, rely heavily on classifications that are under the \$12.50 threshold. Additionally, both programs would experience high levels of compaction due to positions within certain classification series as successive positions must reflect negotiated wage differentials. As such, special consideration will be needed for these programs in order to continue providing the current level of service.

After researching other cities that have adopted minimum wage increases, it is expected there will be an expense to enforce the new minimum standards as the City of Sacramento does not currently have the staff resources to enforce a city minimum wage. Typical duties of an enforcement office include community outreach, compliance review, and managing a complaint process. While the size and cost of the office are not known at this time, should penalties be adopted for non-compliance, the funding could be used to offset the cost of enforcement.

Under this proposal, a City of Sacramento resident earning minimum wage could expect their annual earnings to increase from \$18,720 currently to about \$26,000 in 2020. The increased earnings could help stabilize purchasing power and lift some residents out of poverty.

Additionally, based off data collected by the American Community Survey and the Employment Development Department, the City of Sacramento could experience an economic stimulus of \$84.4 million generated over the five year period of wage increases.

**Environmental Considerations:** This action is not a project subject to CEQA because it involves only general policy and procedure making and does not have the potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. (CEQA Guidelines, §§ 15002(d), 15378, 15061(b)(3).

**Sustainability:** Not applicable.

**Commission/Committee Action:** On October 13, 2015, City Council passed Motion No. 2015-0252 authorizing the ordinance relating to the 2015 Task Force on Income Inequality’s final recommendations to bypass the Law and Legislation Committee.

**Rationale for Recommendation:** The recommendations of the Task Force on Income Inequality represent a balanced approach toward creating greater income equality in the City of Sacramento while not unduly burdening local business.

**Financial Considerations:** Staff has reviewed the potential impact of a Minimum Wage Ordinance to the city's budget. Per the Task Force's final recommendations, minimum wage amounts in Sacramento would then rise annually, settling at \$12.50 per hour in 2020. The implementation of the proposed minimum wage increase will directly affect the cost of programming in several City departments. Specifically, the Department of Parks and Recreation, (park maintenance, recreation programs, 4<sup>th</sup> R, and START), Public Works, Convention and Culture Services, and the City libraries will each be affected. Additionally, the increase will necessitate changes to the City's salary structure to allow for the transition to the new minimum wage. It is estimated that the direct cost and those associated with wage compaction will cost the City of Sacramento \$1 million in 2017 and increase to \$1.9 million by the year 2020 (\$5.77 million annual cost by 2020). Finally, enforcement of a new minimum wage ordinance will require 3 additional FTE, at a cost of approximately \$450,000.

**Local Business Enterprise (LBE):** Not applicable

## Background

President Obama signed an Executive Order in February 2014 increasing the minimum wage for all Federal Contractors to \$10.10 an hour. Currently, there is proposed legislation, Fair Minimum Wage Act of 2013 (Harkin/Miller), before Congress. The Harkin/Miller bill would increase the Federal minimum wage to \$10.10 an hour and be indexed Consumer Price Index for inflation in all subsequent years. The current Federal Minimum wage is \$7.25 per hour. Including California, there are 20 states with a minimum wage higher than the Federal government's mandated wage.

There is a current proposal SB3, 2015 (Leno) that would raise the State's minimum wage to \$13.00 per hour by the year 2019. That bill was held in the Assembly Appropriations Committee and was subsequently turned into a two-year bill. Further action on that bill may happen in January of 2016.

Despite recent increases in the minimum wage in California, real incomes continue to decline. According to a recent study conducted by the Institute for Research and Labor Employment at the University of California Berkeley, annual earnings in Sacramento from 2007-2013 have fallen by 7.4% when adjusted for inflation.

According to a recent report by the United Way of California, one in three Californians struggle to meet their basic needs. In 2015 the United Way released a report detailing the "Real Cost Measure" to more accurately describe the cost of living in the State of California. After factoring in the cost of housing, transportation, childcare and other expenses not included in the calculation of the Federal Poverty Level, the United Way report concluded that a family of four with two adults, one infant and one school age child need \$50,595 in Sacramento County to meet their basic needs. The United Way estimates that 29% of all households in Sacramento earn less than the Real Cost Measure. (31% statewide)

The current minimum wage in Sacramento and the State of California is \$9.00 per hour. This amount is set to increase to \$10.00 per hour on January 1<sup>st</sup>, 2016. Two fulltime workers earning the current state minimum wage earn \$37,440 before taxes. Under the Task Force's proposal, those same two workers would earn \$52,000 annually when the increase is fully realized.

Analysis done by California State University using American Community Survey Data (2013), 19.2% of all working people in Sacramento County earn less than \$10 per hour. Of those earning less than \$10 per hour, 47.4% are men and 54.6% are women. 32.6% are between 18-24 years of age, 26.3% are between 25-35 years, 37.6% are between 36 - 45 years, 12.8% are between 46-55 years and 11.7% are over 56 years of age.

**TASK FORCE MEMBERS:**

Jay Schenirer, Task Force Co-Chair, Sacramento City Council Member  
Elizabeth Landsberg, Task Force Co-Chair, Western Center on Law and Poverty  
Jeff Harris, Sacramento City Council Member  
Yvonne Walker, President SEIU Local 1000  
Stephen Webb, President, Sacramento NAACP  
Fabrizio Sasso, Executive Director, Central Labor Council  
Rachel Rios, Executive Director, La Familia Counseling Center  
Stephanie Nguyen, Executive Director, Asian Resources Inc.  
Jot Condie, President, California Restaurant Association  
Joshua Wood, Executive Director, Region Builders  
Bill Dombrowski, President, California Retailers Association  
Peter Tateishi, Executive Director, Sacramento Chamber of Commerce  
Kevin Ferreira, Executive Director, Sacramento-Sierra Building Trades  
Marcus Gomez, Board President, Sacramento Hispanic Chamber of Commerce  
Ashlin Malouf Spinden, Executive Director, Sacramento Area Congregations Together

**Task Force Public Meeting Dates:**

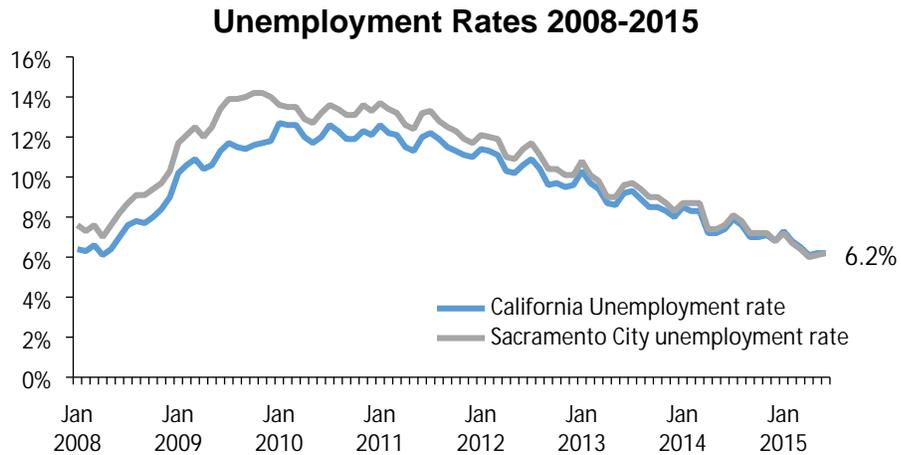
1. July 29, 2015, 4 PM – 6 PM. Presentations by United Way of California and California State University. 30 plus speakers during public comment.
2. August 5, 2015, 4 PM – 6 PM. Presentations by UC Berkeley Institute for Research on Labor and Employment. 30 Plus speakers during public comment
3. August 12, 2015, 4 PM – 6:30 PM. Presentation by Beacon Economics, California State University Sacramento, California Association of Non-Profits and City of Sacramento Independent Budget Analyst John Silva. 30 plus speakers during public comment.
4. September 2, 2015, 5:30 PM – 7:30 PM. Task Force Recommendation Presented. 30 plus speakers during public comment.

**Other Task Force Meeting Dates:**

1. July 29, 2015, 3:30 PM - 4 PM
2. August 5, 2015, 3:30 PM - 4 PM
3. August 19, 2015, 3:30 – 5:30 PM
4. September 2, 2015, 3:30 PM – 5:30 PM.

## Unemployment Rates 2008-2015

Currently unemployment in Sacramento County is 6% and falling at a faster rate than the State as a whole.

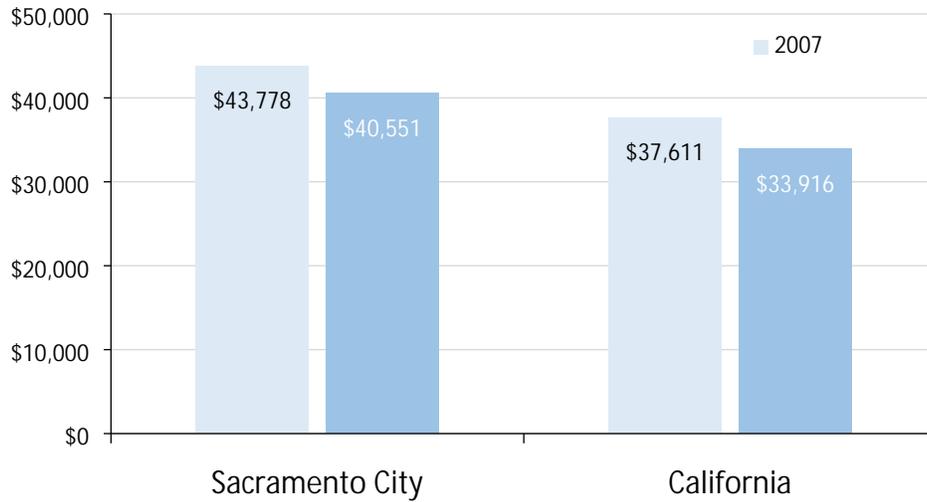


\*Source: California Employment Development Department, Labor Market Information. Data are not seasonally adjusted.

## Median Annual Earnings

While unemployment rates have fallen, so has median annual income. According to a recent study conducted by the Institute for Research and Labor Employment at the University of California Berkeley, annual earnings in Sacramento have fallen by 7.4% when adjusted for inflation.

**Median Annual Earnings by Place of Work 2007-2013 (2013 dollars)**



Source: 2015 IRLE-Berkeley Study

ORDINANCE NO.

Adopted by the Sacramento City Council

Date Adopted

AN ORDINANCE ADDING CHAPTER 5.158 TO THE SACRAMENTO  
CITY CODE RELATING TO THE CITY MINIMUM WAGE

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

SECTION 1.

Chapter 5.158 is added to the Sacramento City Code to read as follows:

Chapter 5.158 CITY MINIMUM WAGE

5.158.010 Definitions.

When used in this chapter, the following words and phrases have the following meanings:

“Employee” means a person who, in a particular week, performs at least two hours of work within the geographic boundaries of the city for an employer.

“Employer” means any person who directly or indirectly (including through the services of a temporary services agency, staffing agency, or similar entity) employs or exercises control over the wages or hours of any employee.

“Nonprofit corporation” means an entity that is duly incorporated, validly existing, and in good standing under the laws of the jurisdiction of its incorporation and, if a foreign corporation, in good standing under the laws of the State of California; and is exempt from taxation pursuant to section 501(c)(3) of the United States Internal Revenue Code.

“Total compensation” means all monetary amounts received by an employee for their performance of work for their employer, including wages (whether the amount is fixed or ascertained by the standard of time, task, piece, commission basis, or other method of calculation), bonuses, and gratuities.

“Total compensation rate” means the quotient resulting from the division of the employee’s total compensation by the number of hours worked.

5.158.020 City minimum wage required.

No employer shall pay their employee less than the city minimum wage for each hour worked within the geographic boundaries of the city. The city minimum wage shall be determined in accordance with the provisions of this chapter.

#### 5.158.030 City minimum wage

- A. If an employer has 40 or more employees, the city minimum wage is as follows:
1. Beginning on January 1, 2017, the city minimum wage is \$10.50 per hour.
  2. Beginning on January 1, 2018, the city minimum wage is \$11.00 per hour.
  3. Beginning on January 1, 2019, the city minimum wage is \$11.75 per hour.
  4. Beginning on January 1, 2020, the city minimum wage is \$12.50 per hour.
- B. If an employer has fewer than 40 employees, the city minimum wage is as follows:
1. Beginning on July 1, 2017, the city minimum wage is \$10.50 per hour.
  2. Beginning on July 1, 2018, the city minimum wage is \$11.00 per hour.
  3. Beginning on July 1, 2019, the city minimum wage is \$11.75 per hour.
  4. Beginning on July 1, 2020, the city minimum wage is \$12.50 per hour.
- C. Beginning on January 1, 2021, and annually thereafter, the city minimum wage shall be determined by the City Manager by adjusting the latest city minimum wage rate in direct proportion to the percentage change in the Consumer Price Index for Urban Wage Earners and Clerical Workers in the San Francisco-Oakland-San Jose, California area for all items (base period: 1982-84=100) (as published by the United States Bureau of Labor Statistics), between the annual values of the latest two years for which the statistics are available. The City Manager shall determine the city minimum wage based on the statistics available on October 1st of the preceding year.
- D. For purposes of this section, the number of employees of an employer shall be determined by the average number of people employed each pay period of the previous calendar year. If an employer did not employ anyone during the previous calendar year, the city minimum wage set forth in subdivision B of this section applies.

#### 5.158.040 Total compensation employers.

- A. Notwithstanding section 5.158.020, an employer that is registered with the city as a total compensation employer is not required to pay the city minimum wage to any

employee whose total compensation rate for the previous pay period exceeds \$15.00 per hour. A total compensation employer shall pay all other employees at least the city minimum wage for each hour worked within the geographic boundaries of the city.

B. At the conclusion of each pay period, the total compensation employer shall determine the total compensation rate of each employee and determine whether the employee must be paid the city minimum wage for the next pay period. The employer shall notify each employee of that determination in writing.

C. Nothing in this chapter entitles the employer to withhold gratuities from the employee to whom it was given, regardless of whether the employee is entitled to the city minimum wage.

D. An employer is registered with the city as a total compensation employer when the following is submitted to the city:

1. A registration form approved by the city manager that is completed by the employer, with the following information:

- a. Name and address of the employer;
- b. Description of the type of business;
- c. Estimated number of employees;
- d. Name and contact information for representative of employer;

and

e. Any other information or documentation consistent with the provisions of this code.

2. An annual total compensation employer registration fee, established by resolution of the city council, for the administration, implementation, and enforcement of this section.

E. No person shall knowingly make a false statement of fact or knowingly omit any information that is required to register as a total compensation employer pursuant to this section.

F. Registration as a total compensation employer is valid for one year.

5.158.050 Notice and posting.

By December 1st of each year, the city shall publish and make available to employers a notice announcing the minimum wage rates for the upcoming year. Employers shall

post the notice in a conspicuous place in each workplace that is visible to all of their employees.

#### 5.158.060 Exemption for employees not entitled to state minimum wage.

Notwithstanding section 5.158.020, an employer is not required to pay the city minimum wage to an employee who is not entitled to payment of the minimum wage from their employer under California law, as provided under California Labor Code section 1197 and wage orders published by the California Industrial Welfare Commission.

#### 5.158.070 Exemption for youth.

Notwithstanding section 5.158.020, an employer is not required to pay the city minimum wage to any employee under the age of 18 years.

#### 15.158.080 Exemption for job training program participants.

Notwithstanding section 5.158.020, an employer is not required to pay the city minimum wage to an employee who is either:

- A. A participant, up to 25 years of age, in a youth job training program operated by a nonprofit corporation or a government agency; or
- B. A participant in a re-entry or release job training program operated by a nonprofit corporation or a government agency.

#### 5.158.090 Healthcare credit.

An employer that pays an employee the city minimum wage as determined in this chapter, and pays at least \$2.00 per hour per employee towards the premium cost of an employee medical benefits plan (e.g., health, dental, or vision care) that allows the employee or the employee's dependents to receive employer-compensated care from a licensed physician, may apply a healthcare credit to reduce the payment of the city minimum wage in the amounts as follows:

- A. When the city minimum wage for that employer is \$10.50, the healthcare credit is \$0.37 per hour.
- B. When the city minimum wage for that employer is \$11.00, the healthcare credit is \$0.75 per hour.
- C. When the city minimum wage for that employer is \$11.75, the healthcare credit is \$1.12 per hour.

D. When the city minimum wage for that employer is \$12.50, the healthcare credit is \$1.50 per hour.

E. On January 1, 2021, and annually thereafter, the healthcare credit shall be determined by the City Manager by adjusting the latest healthcare credit rate in direct proportion to the percentage change in the Consumer Price Index for Urban Wage Earners and Clerical Workers in the San Francisco-Oakland-San Jose, California area for all items (base period: 1982-84=100) (as published by the United States Bureau of Labor Statistics), between the annual values of the latest two years for which the statistics are available. The City Manager shall determine the healthcare credit based on the statistics available on October 1st of the preceding year.

5.158.100 Waiver prohibited.

No person shall request an employee to waive his or her rights under this chapter. Any waiver by an individual employee of any provision of this chapter is contrary to public policy and is void and unenforceable.

5.158.110 Payroll records – Inspection.

Employers shall retain payroll records pertaining to all employees for a period of three years from the date of the payments reflected in the record. Upon reasonable notice, the employer shall allow the city access to the records at a mutually agreeable time, to monitor compliance with this chapter.

5.158.120 Reporting violations.

Any person may report to the city a suspected violation of this chapter. The city shall keep confidential the name and other identifying information of any person that reports of violation of this chapter, to the maximum extent permitted by law. The city may disclose the identity of the person reporting the violation as necessary to enforce this chapter.

5.158.130 Investigation.

The city may investigate reports of violations of this chapter. The city has the authority to inspect workplaces, interview persons, and inspect payroll records. If the employer does not maintain or retain records adequate to document wages paid or does not allow the city access to such records, an employee's account of how much he or she was paid shall be presumed to be accurate, absent clear and convincing evidence otherwise.

5.158.140 Retaliation prohibited.

No employer or other person shall discharge, penalize, take adverse action, or discriminate in any manner against any person in retaliation for reporting a violation of this chapter to the city in good faith, participating in any of its proceedings, or using any civil remedies to enforce or otherwise assert his or her rights under this chapter. Taking adverse action against a person within 90 days of the person's exercise of rights protected under this chapter raises a rebuttable presumption that the action was taken in retaliation for the exercise of such rights.

#### 5.158.150 Violations.

A. In addition to any other remedy allowed by law, any person who violates a provision of this chapter is subject to the following:

1. Criminal sanctions. Any person who violates a provision of this chapter is guilty of a misdemeanor.
2. Civil actions.
  - a. Violations of this chapter are hereby declared to be a public nuisance.
  - b. Any person aggrieved by a violation of this chapter may bring a private civil action in a court of competent jurisdiction against the employer or other person violating this chapter. The court shall award reasonable attorney's fees, witness fees, and expenses to any plaintiff who prevails in an action to enforce this chapter.
  - c. The remedies in a civil action for a violation of this chapter include, but are not limited to, the following: injunctive relief; reinstatement in employment; payment of back wages unlawfully withheld; interest on all due and unpaid wages at the rate of interest specified in subdivision (b) of section 3289 of the California Civil Code, which shall accrue from the date the wages were due and payable as provided in Part 1 (commencing with section 200) of Division 2 of the California Labor Code, to the date the wages are paid in full; and civil penalties of not less than \$250 or more than \$25,000 for each day the violation continues.
3. Administrative penalties, pursuant to chapter 1.28.

B. All remedies prescribed under this chapter shall be cumulative and the election of one or more remedies shall not bar the city from the pursuit of any other remedy for the purpose of enforcing the provisions hereof.

#### 5.158.160 Relationship to other laws.

This chapter requires the payment of a local minimum wage and shall not be construed to preempt or otherwise limit or affect the applicability of any other law, regulation, requirement, policy, or standard that provides for the payment of a higher or supplemental wage or benefit.

## SECTION 2.

If any provision of this Ordinance or its application to any person or circumstance is held invalid or ineffective by any court of competent jurisdiction, or by reason of any preemptive legislation, that invalidity shall not affect the validity of the remaining provisions of this Ordinance. The City Council declares that it would have passed this Ordinance and each section, subsection, subdivision, sentence, clause, and phrase, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, or words be declared invalid.

DRAFT

<b>Study</b>	<b>Authors</b>	<b>Year</b>	<b>Findings</b>	<b>Link</b>
STRUGGLING TO GET BY: The Real Cost Measure in California 2015	United Ways of California	2015	One in three California households (31%) do not have sufficient income to meet their basic costs of living. This is three times the proportion officially considered poor in California, according to the Federal Poverty Level. Households of color are disproportionately likely to have inadequate incomes. 51% of Latino households and 40% of African American	<a href="http://www.unitedwaysca.org/images/StrugglingToGetBy/Struggling_to_Get_By.pdf">http://www.unitedwaysca.org/images/StrugglingToGetBy/Struggling_to_Get_By.pdf</a>
The Effects of a Minimum-Wage Increase on Employment and Family Income	Congressional Budget Office	2014	With minimum wage increase (either \$10.10 option or \$9.00 option), most low-wage workers would see increase in income (16.5 million workers for \$10.10 option and 7.6 million for \$9.00 option) Employment would fall slightly (\$10.10 option – 0.3% decline, \$9.00 option	<a href="https://www.cbo.gov/sites/default/files/44995-MinimumWage.pdf">https://www.cbo.gov/sites/default/files/44995-MinimumWage.pdf</a>
Local Minimum Wage Laws: Impacts on Workers, Families and Businesses	Michael Reich, Ken Jacobs, Annette Bernhardt	2014	A meta-analysis shows minimum wage laws lead to positive income effects and reduces pay inequality Costs to businesses are absorbed by reduced turnover costs and by small restaurant price increases Price increases outside the restaurant industry are	<a href="http://irle.berkeley.edu/workingpapers/104-14.pdf">http://irle.berkeley.edu/workingpapers/104-14.pdf</a>
The Paychex   IHS Small Business Jobs Index	Paychex/HIS	2014	In survey of employment in small businesses, found that the state with the highest percentage of annual job growth was Washington, the state with the highest minimum wage in the nation, \$9.32 an hour The metropolitan area with the second highest percentage of annual job	<a href="http://www.paychex.com/jobs-index/">http://www.paychex.com/jobs-index/</a>
Raising the Minimum Wage: Reviewing the Evidence on Why Minimum Wage Increases Boost Incomes Without Reducing Employment	National Employment Law Project (NELP)	2014	Reviews research on the impact of raising the minimum wage, drawing three conclusions: Raising the minimum wage – including at the citywide level – boosts incomes for low-paid workers without reducing overall employment Opponents of raising the minimum wage rely on outdated studies that use imprecise methodologies and fail to take advantage of the most recent	<a href="http://www.respectdc.org/wp-content/uploads/NELP-DC-Minimum-Wage-Research-Memo.pdf">http://www.respectdc.org/wp-content/uploads/NELP-DC-Minimum-Wage-Research-Memo.pdf</a>
When Mandates Work: Raising Labor Standards at the Local Level	Michael Reich	2014	In San Francisco County, median family income increased from \$63,545 to \$85,778 between 1999 and 2006-2010, during a time when the minimum wage increased During this same time period, household income in SF relative to the United States increased from 1.31 to 1.37 and relative to California increased from 1.16 to 1.17	<a href="http://muse.jhu.edu/books/9780520957466">Link to download individual chapters: http://muse.jhu.edu/books/9780520957466</a>
Raising The Federal Minimum Wage To \$10.10 Would Lift Wages For Millions And Provide A Modest Economic Boost	David Cooper (Economic Policy Institute (EPI))	2013	Key findings include raising the federal minimum wage to \$10.10 by 2016 would return the federal minimum wage to roughly the same inflation adjusted value it had in the late 1960s An increase to \$10.10 would either directly or indirectly raise the wages of 27.8 million workers, who would receive about \$35 billion in additional wages over the phase-in period Across the phase-in period of the increase, GDP would grow by about \$22 billion, creating roughly 85,000 net new jobs over that period	<a href="http://s1.epi.org/files/2014/EPI-1010-minimum-wage.pdf">http://s1.epi.org/files/2014/EPI-1010-minimum-wage.pdf</a>

<b>Study</b>	<b>Authors</b>	<b>Year</b>	<b>Findings</b>	<b>Link</b>
How does a federal minimum wage hike affect aggregate household spending?	Federal Reserve Bank of Chicago	2013	Article finds that a federal minimum wage hike would boost the real income and spending of minimum wage households The impact could be sufficient to offset increasing consumer prices and declining real spending by most non-minimum-wage households and lead to an increase in aggregate household spending	<a href="https://www.chicagofed.org/publications/chicago-fed-letter/2013/august-313">https://www.chicagofed.org/publications/chicago-fed-letter/2013/august-313</a>
Minimum Wage Channels of Adjustment	Barry T. Hirsch, Bruce E. Kaufman, Tetyana Zelenska	2013	Some evidence that minimum wage increases compress wages for higher paid workers Following a federal wage increase, found that nearly half of employers interviewed would limit pay increases or bonuses for more experienced	<a href="http://ftp.iza.org/dp6132.pdf">http://ftp.iza.org/dp6132.pdf</a>
Minimum Wages: Evaluating New Evidence on Employment Effects	Laura Giuliano	2013	Examining large US retail firm's response to 1996 federal minimum wage increase, found increase in average wage had negative (but statistically insignificant) effects on employment (-.01% to -.09%)	<a href="http://www.bus.miami.edu/assets/files/faculty-and-research/academic-departments/eco/eco-working-papers/2011/WP2011-12.pdf">http://www.bus.miami.edu/assets/files/faculty-and-research/academic-departments/eco/eco-working-papers/2011/WP2011-12.pdf</a>
Effects of the Minimum Wage on Employment Dynamics	Jonathan Meer and Jeremy West	2013	Using state panel data, found that minimum wage reduces net job growth by about 0.5 percentage points while employment level remains unchanged	<a href="http://economics.cornell.edu/sites/default/files/files/events/Meer_West_Minimum_Wage.pdf">http://economics.cornell.edu/sites/default/files/files/events/Meer_West_Minimum_Wage.pdf</a>
Revisiting the Minimum Wage-Employment Debate: Throwing Out the Baby with the Bathwater?	David Neumark and J.M. Ian Salas	2012	Reviewing recent minimum wage research, concludes research showing positive employment effects flawed Concludes evidence still shows minimum wages pose tradeoff of higher wage for some against job losses for others	<a href="http://ftp.iza.org/dp7166.pdf">http://ftp.iza.org/dp7166.pdf</a>
Using Local Labor Market Data to Re-Examine the Employment Effects of the Minimum Wage	Jeffrey P. Thompson	2009	Using quarterly Census data for 1996-2000 on county level, no evidence of employment effects In counties where minimum wage increase was binding, some evidence for negative impact	<a href="http://ilr.sagepub.com/content/62/3/343.full.pdf+html">http://ilr.sagepub.com/content/62/3/343.full.pdf+html</a>