15-0032

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MAY 27 2015
INITIATIVE COORDINATOR
ATTORNEY GENERAL'S OFFICE

To: The Office of the Attorney General
ATTN: Ashley Johannson, Initiative Coordinator
1300 I Street, 17th Floor
Sacramento, CA 95814
(916) 445-4752 I www.oag.ca.gov

RE: Request for Circulating Title and Summary; Signed Certifications; The Fair Wage Act of 2016

Dear Ms. Johansson:

Pursuant to Article II, Section 10(d) of the California Constitution, this letter respectfully requests that the Attorney General prepare a circulating title and summary of the enclosed proposed statewide initiative: "The Fair Wage Act of 2016." Also enclosed are the required signed statements pursuant to California Elections Code sections 9001 and 9608, and a check in the amount of $200. Our addresses as registered voters are included in this letter.

Please direct all inquiries and correspondence regarding this proposed initiative to:

Amber Maltbie
Nossaman, LLP
777 S. Figueroa Street, 34th Floor
Los Angeles, CA 95814
Phone: 213-612-7803
Email: amaltbie@nossaman.com

Sincerely,

Steve Trossman, Proponent
1616 N. Easterly Terrace
Los Angeles, CA 90026

Arianna Jimenez, Proponent
3622 Revere Ave.
Los Angeles, CA 90039

Enclosures: Initiative language; Certifications, money order

The Fair Wage Act of 2016

This initiative measure is submitted to the people in accordance with the provisions of Article II, Section 8, of the California Constitution.

This initiative measure amends and adds sections to the Labor Code; therefore, existing provisions proposed to be deleted are printed in ~~strikeout~~ type and new provisions proposed to be added are printed in *italic* type to indicate that they are new.

SEC. 1. Name.

This act shall be known as the Fair Wage Act of 2016.

SEC. 2. Findings and Purpose.

The People of California find and declare that:

(a) The purpose of The Fair Wage Act of 2016 ("the Act") is to ensure that workers receive wages that will financially support them and their families.

(b) To achieve this purpose, The Fair Wage Act of 2016 will increase the minimum wage by $1 per hour each January 1 until it reaches $15 per hour in 2021, and in each year thereafter the minimum wage will be adjusted to keep pace with the cost of living in California.

(c) Many working Californians, including parents and seniors, have full-time jobs yet struggle to make ends meet. The minimum wage has not kept pace with the cost of living and is worth less today than it was 50 years ago. This loss of purchasing power means millions of Californians are unable to afford an adequate standard of living, which harms families and the State's economy and budget.[1]

(d) Almost one-quarter of California residents live in poverty.[2] More than half of California minimum wage earners are over 30 years old and thirty percent have children.[3] Californians cannot support a family on the current minimum wage of $10 per hour, or $20,800 per year, for people working full time.

(e) Despite being employed full-time, Californians who are paid the current minimum wage often must rely on the State's social safety net to meet their basic needs.

(f) The purchasing power of the minimum wage will continue to erode if it is not adjusted yearly to reflect increases in the cost of living.

(g) Raising the minimum wage will increase the earnings of many Medi-Cal recipients, making them eligible for federal subsidies on California's health benefit exchange, saving the State millions of dollars a year in Medi-Cal costs.[4]

(h) Raising the minimum wage will boost economic activity and increase sales and income taxes.[5]

[1] http://www.irle.berkeley.edu/cwed/briefs/2014-02.pdf
[2] http://www.census.gov/content/dam/Census/library/publications/2014/demo/p60-251.pdf
[3] http://www.irle.berkeley.edu/cwed/briefs/2014-02.pdf
[4] http://www.irle.berkeley.edu/cwed/briefs/2014-02.pdf

(i) Californians working in a wide variety of jobs and industries are paid the minimum wage, and it is the goal of this Act to protect all such workers, regardless of whether they are employed by single, multiple, or joint employers. To this end, the People confirm *Guerrero v. Superior Court* (2013) 213 Cal. App. 4th 912, which recognized that the state minimum wage law protects low-wage workers with multiple or joint employers, including, for example, persons employed under the In-Home Supportive Services Act (Welf. & Inst. Code § 12300 et seq.).

(j) The Act also will ensure that the California Department of Industrial Relations publicizes changes to the minimum wage, as it has when the minimum wage has been increased in the past.

(k) The People intend that the Legislature or the Industrial Welfare Commission may narrow or eliminate current exemptions from state minimum wage requirements, but may not expand current exemptions or create new exemptions from state minimum wage requirements.

SEC 3. Section 1182.12 of the Labor Code is amended, to read:

§ 1182.12. Minimum wage

(a) Notwithstanding any other provision of this part, on and after ~~July 1, 2014, the minimum wage for all industries shall be not less than nine dollars ($9) per hour, and on and after January 1, 2016, the minimum wage for all industries shall be not less than ten dollars ($10) per hour .~~ *January 1, 2017, the minimum wage for all industries shall be not less than eleven dollars ($11) per hour, and shall be raised by one dollar ($1) per hour each subsequent January 1 until it reaches fifteen dollars ($15) per hour in 2021, and thereafter shall be adjusted each January 1 to keep pace with the increasing cost of living, as described in subdivision (b).*

(b) (1) On and after January 1, 2022, the minimum wage for all industries shall be not less than an amount that is the result of an automatic adjustment on January 1 of each year, so the minimum wage keeps pace with the cost of living, as provided in paragraph (2).

(2) On or before October 15, 2021, and on or before each following October 15, the California Department of Industrial Relations shall calculate an adjusted minimum wage to maintain employee purchasing power by increasing the current year's minimum wage by the rate of inflation. The adjusted minimum wage shall be calculated to the nearest cent using the California Consumer Price Index for Urban Wage Earners and Clerical Workers, or a successor index, for the twelve months prior to each September 1 as calculated by the California Department of Industrial Relations. Each adjusted minimum wage increase calculated under this paragraph (2) takes effect on the following January 1.

(c) This section shall not be construed to preclude an increase of the minimum wage for any or all industries by the Industrial Welfare Commission to an amount greater than the rate required pursuant to subdivision (a) or (b). Nor shall this section be construed to permit a decrease in the minimum wage if, as calculated pursuant to subdivision (b), the rate of inflation is negative.

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[5] http://www.irle.berkeley.edu/cwed/briefs/2014-02.pdf

(d) No later than October 15 of each year, commencing October 15, 2017, the California Department of Industrial Relations shall publicize the minimum wage for all industries that will take effect the following January 1.

SEC. 4. Amendment.

Pursuant to subdivision (c) of Section 10 of Article II of the California Constitution, this Act may be amended either by a subsequent measure submitted to a vote of the people at a statewide election or by statute validly passed by the Legislature and signed by the Governor, but only to further the purposes of the Act and not to reduce the minimum wage required by this Act.

SEC 5. Severability.

It is the intent of the People that the provisions of this Act are severable and that if any provision of this Act, or the application thereof to any person or circumstance, is held invalid, such invalidity shall not affect any other provision or application of this Act that can be given effect without the invalid provision or application.