

ECONOMIC DEVELOPMENT AND JOBS COMMITTEE REPORT relative to proposed technical amendments to the Minimum Wage Ordinance.

Recommendation for Council action, pursuant to Motion (Price – O’Farrell):

REQUEST the City Attorney, with the assistance of the Bureau of Contract Administration, to prepare and present an Ordinance to amend Los Angeles Municipal Code (LAMC) Sections 187.02.D. and 187.03.B. as follows:

- a. Amend the first sentence of LAMC Section 187.02.D. to read as follows: “On July 1, 2022, and annually thereafter, the minimum wage will increase based on the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the Los Angeles metropolitan area, which is published by the Bureau of Labor Statistics.” with the remaining portion of LAMC Section 187.02(D) to remain the same.
- b. Amend LAMC Section 187.03.B. by deleting the reference to “10.31.1 (h)” and replacing it with “10.25.1 (1)”.

Fiscal Impact Statement: Neither the City Administrative Office nor the Chief Legislative Analyst has completed a financial analysis of this report.

Community Impact Statement: None submitted.

Summary:

On February 8, 2022, your Committee considered a Motion (Price – O’Farrell) relative to proposed technical amendments to the Minimum Wage Ordinance. According to the Motion, the City of Los Angeles Minimum Wage Ordinance successfully established an annual increase in the minimum wage starting on July 1, 2016. In July 2020, the minimum wage reached the last step of the annual wage increase ladder that was laid out in the Ordinance, \$15 per hour. Beginning in 2022, the annual minimum wage increase is to be based on the local Consumer Price Index published by the Bureau of Labor Statistics.

LAMC Section 187.02.D. states that:

On July 1, 2022, and annually thereafter, the minimum wage will increase based on the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the Los Angeles metropolitan area (Los Angeles-Riverside-Orange County, CA), which is published by the Bureau of Labor Statistics.

In 2017, the Bureau of Labor Statistics changed the geographic boundaries defining the Los Angeles price index. Riverside was removed from this index and it now includes only Los Angeles and Orange Counties. The local price index was renamed and is now identified as the Los Angeles-Long-Beach-Anaheim region, thus requiring a technical

correction to the Minimum Wage Ordinance. The first sentence of Section 187.02.D. should be amended to delete the language indicated and read:

On July 1, 2022, and annually thereafter, the minimum wage will increase based on the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the Los Angeles metropolitan area, which is published by the Bureau of Labor Statistics.

The City's Living Wage Ordinance also references this Section of the Minimum Wage Ordinance as the basis for its annual wage increase. Therefore, the amendment to the Minimum Wage Ordinance is necessary to ensure the Living Wage annual increase can be properly implemented as well. LAMC Section 187.03.B. refers to Section 10.31.1(h) of the Los Angeles Administrative Code for the definition of a Transitional Employer. On August 7, 2021, Section 10.31.1(h) was repealed by Ordinance No. 187121. Section 187.03.B. should be amended by deleting the reference to "10.31.1(h)" and replacing it with "10.25.1(1)". After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the Motion as detailed above. This matter is now submitted to Council for its consideration.



Respectfully Submitted,

Economic Development and Jobs Committee

<b>COUNCILMEMBER</b>	<b>VOTE</b>
PRICE:	YES
KREKORIAN:	YES
BLUMENFIELD:	YES
RAMAN:	YES
HARRIS-DAWSON:	YES

ARL  
2/8/22

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**