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When making inquiries relative to this
matter, please refer to the Council File Nos.
14-1371-S1 and **09-2642**

May 7, 2015

Honorable Councilmember Paul Krekorian, Chair
Budget and Finance Committee

Attn: Erika Pulst, Legislative Assistant – Budget and Finance Committee

RE: COUNCIL FILE TRANSMITTAL

On May 5, 2015 the Economic Development Committee considered a Chief Legislative Analyst (CLA) report relative to a proposed Office of Labor Standards in the City of Los Angeles to enforce any future minimum wage ordinance, including wage theft enforcement (as initiated by Motion Cedillo – Koretz – Bonin) (CF 14-1371-S1); and, Motion (Alarcon – Koretz) (CF 09-2642) relative to an ordinance criminalizing wage theft and increased tracking and enforcement.

The Economic Development Committee amended the recommendations in the CLA report and Motion (Alarcon – Koretz) as follows:

1. REQUEST the City Attorney to draft an ordinance that would create a Division of Labor Standards within the Public Works Bureau of Contract Administration (BCA) that would include the following enforcement mechanisms modeled on the San Francisco Labor Standards Division, and consistent with all other City wage policies, to include:
 - a. Administrative fines per employee per each day the wage is not paid, to be paid out to the victim of wage theft, in addition to a separate fee to be paid out to the City to compensate the City for the cost of investigation and remedying a violation.
 - b. Administrative penalties, including late payment penalties.
 - c. Administrative Appeal process
 - d. Liens against the business property for amounts due to the employee and/or the City.
 - e. Private Rights of Action
 - f. Revocations of City permits.
 - g. Protections against retaliation

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2. REQUEST the City Attorney to examine the fee structure and to help define how the City can reach full cost recovery.
3. INSTRUCT the CAO to start with five (5) resolution authority positions (but note that if San Francisco has 25 positions and the City of Los Angeles is 4 times larger, then arguably the City should be at 100 employees for enforcement based on those metrics).
4. INSTRUCT the BCA to report back in 30 days with an implementation plan for the new Division of Labor Standards, including resources necessary to implement the program, along with plans for the development of partnerships with local public interest groups and/or legal entities, bar associations, law schools, etc.; and, include basic public outreach plans as a component of this program.

This matter is hereby transmitted to the Budget and Finance Committee for consideration.

Respectfully,



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Legislative Assistant
Economic Development Committee
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cc: Matt Hale, Council District Two
Marisa Alcaraz, Council District Nine
Roy Morales, Office of the Chief Legislative Analyst
Felipe Chavez, Office of the Chief Legislative Analyst
John Wickham, Office of the Chief Legislative Analyst