

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: February 29, 2016

To: The City Council
Attn: The Personnel and Animal Welfare Committee

From: Miguel A. Santana, City Administrative Officer



Subject: **IMPLEMENTATION OF THE CITYWIDE MINIMUM WAGE**

On Wednesday, February 17, 2016, you requested that this Office report back on the Bureau of Contract Administration's request for staffing for the Office of Wage Standards for the implementation of the new Citywide Minimum Wage Ordinance.

We have been working closely with the Bureau to understand the projected workload and related resources required to effectively administer the Minimum Wage Ordinance. As you are aware, the implementation of a new City Program may have varying projections of resource requirements as the City learns more about the expected workload.

At this time, sufficient resources are being provided for Fiscal Year 2015-16 within the existing City Budget for the Bureau of Contract Administration and the Office of the City Attorney.

- The Bureau has reassigned four experienced staff from within the Bureau to begin operations for the new Office. As of February 18, 2016, it is expected that this is sufficient for 15-16;
- \$200,000 in funds provided in the 15-16 Unappropriated Balance was moved to the Bureau for outreach efforts in the 15-16 First Financial Status Report (CF 15-0600-S88);
- \$250,000 in salary savings within the Bureau's 15-16 Budget are being recommended for reallocation to contractual services to support additional outreach during 15-16 in the 15-16 Mid-Year Report; and,
- The City Attorney has identified salary savings within the City Attorney's 15-16 Budget that will allow the approval of a substitute authority for a Deputy City Attorney III in 15-16 to provide critical support for the Bureau. As of February 18, 2016, it is expected that this is sufficient for 15-16.

Significant additional resources (staffing, contractual services and office space) will be required in Fiscal Year 2016-17. These resources are being addressed in the context of the 2016-17 budget process and through the Municipal Facilities Committee.

Additional workload and resources required beyond 2016-17 are speculative at this time. Changes required to resources beyond 2016-17 are most appropriately handled in forthcoming budgets.

Therefore, the Bureau's October 13, 2015 request for resources is not necessary at this time (recommendations B, C, D, E and F). However, it is recommended that the Council:

- Concur with the Bureau's proposal to implement the Minimum Wage:
 - through a thoughtful, incremental approach that will respond to workload as it materializes, and
 - through the use of City staff, contractors, community based organizations and existing mailing processes of all City departments to conduct outreach;
- Change the name of the Wage Enforcement Division to the Office of Wage Standards; and,
- Instruct the Bureau of Contract Administration to consult with relevant stakeholders regarding the implementation process.

RECOMMENDATIONS

That the Council:

1. Instruct the Bureau of Contract Administration, the Office of the City Attorney and the City Administrative Officer to continue to work together to assess the resource requirements of the Office of Wage Standards for implementation of the Citywide Minimum Wage;
2. Concur with the Bureau's proposal to implement the Minimum Wage through a thoughtful, incremental approach that will respond to workload as it materializes, and through the use of City staff, contractors, community based organizations and existing mailing processes of all City departments to conduct outreach;
3. Change the name of the Wage Enforcement Division to the Office of Wage Standards; and,
4. Instruct the Bureau of Contract Administration to consult with relevant stakeholders regarding the implementation process.

FISCAL IMPACT STATEMENT

There is no fiscal impact from the recommendations in this report.