

PERSONNEL AND ANIMAL WELFARE COMMITTEE REPORT relative to an implementation plan and resource requirements for an Office of Wage Standards to implement the new Citywide Minimum Wage Ordinance.

Recommendations for Council action:

1. INSTRUCT the Bureau of Contract Administration (BCA) and City Administrative Officer and REQUEST the City Attorney 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 BCA'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.
4. INSTRUCT the BCA to consult with relevant stakeholders regarding the implementation process.
5. NOTE and FILE the June 19, 2015 and October 13, 2015 BCA reports relative to the implementation plan and resource requirements for an Office of Labor Standards to implement the new Citywide Minimum Wage Ordinance.
6. INSTRUCT the BCA to create an Advisory Council to discuss wage theft enforcement and implementation and to include Council District Five as a member of said panel.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that there is no fiscal impact stemming from the recommendations contained in the February 29, 2016 CAO report, attached to the Council file.

Community Impact Statement: None submitted.

(Also referred to the Entertainment and Facilities and Budget and Finance and Economic Development Committees)

Summary:

On February 17, 2016, your Committee considered June 19, 2015 and October 13, 2015 BCA reports relative to the implementation plan and resource requirements for an Office of Labor Standards to implement the new Citywide Minimum Wage Ordinance. According to the BCA, pursuant to the City's Minimum Wage Ordinance (Ordinance No. 183612) and Wage Enforcement Division Ordinance (Ordinance No. 183613), it has begun to establish the administrative infrastructure and prepare for implementation of the Los Angeles minimum wage on July 1, 2016. In doing so, the BCA has gained additional valuable insight into the actions and resources required to effectively implement the program.

In their initial June 19, 2015 report, the BCA made a number of recommendations as part of their implementation plan that were subsequently modified in their October 13, 2015 report. First, in the area of staffing, the BCA's original implementation plan included a request for 29 positions phased-in over four fiscal years. Based on anticipated workload as indicated by community-based organizations who are already preparing claims for filing on July 1, 2016, some of the positions will be needed sooner than originally anticipated.

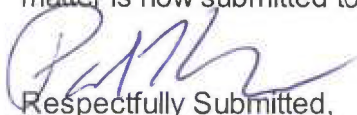
The BCA's budget request for Fiscal Year (FY) 2016-17 includes 22 total positions, including five positions already authorized and funded for FY 2015-16, ten additional positions included in the original implementation plan for FY 2016-17, and seven additional positions that appeared in the original implementation plan as scheduled for FY 2017-2018. The seven additional positions will accelerate the full staffing regimen to over three, and not four, years. Therefore we will request seven positions in FY 2017-18 to achieve the 29 positions.

The BCA is making three changes to its original staffing plan for the current fiscal year. First, the BCA requests to substitute the authorized Contract Compliance Program Manager I position with a Senior Management Analyst II position. This change will eliminate the time and resources required for the Personnel Department to conduct an exam, will enable the BCA to fill this position sooner, and will ensure that the division's manager position is not a lower class than the minimum wage hearing officer. Secondly, the BCA is requesting the authorization to use two exempt positions to obtain specialized services from subject matter experts in the area of labor law. The BCA would utilize two authorized positions to achieve this request. Finally, the BCA noted that it will also be delaying its request for a Senior Systems Analyst I position from the current fiscal year until FY 2016-2017. In the interim, the BCA will utilize existing staff to design and add content to its website.

The BCA and provided further information in regard to outreach efforts and partnering with other City Departments to provide information by mail to businesses that will be affected by the new Ordinances. After consideration and having provided an opportunity for public comment, the Committee moved to continue this matter pending a report by the CAO.

Subsequently, on March 16, 2016, the Committee also considered a February 29, 2016 CAO report. According to the CAO, sufficient resources are being provided for FY 2015-16 within the existing City Budget for the BCA and the City Attorney with no need for added positions. However, for FY 2016-17, significant additional resources in the form of staffing, contractual services, and office space will be required and these resources are being addressed through the FY 2016-17 budget process.

After further consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the recommendations as detailed above. This matter is now submitted to Council for its consideration.


Respectfully Submitted,

PERSONNEL AND ANIMAL WELFARE COMMITTEE

MEMBER

VOTE

KORETZ: YES
RYU: YES
HARRIS-DAWSON: YES

ARL
3/16/16

-NOT OFFICIAL UNTIL COUNCIL ACTS-