

ECONOMIC DEVELOPMENT COMMITTEE REPORT relative to alignment of the Living Wage Ordinance (LWO) with the Citywide Minimum Wage.

Recommendations for Council action:

1. NOTE and FILE the June 9, 2017 and June 12, 2017 Chief Legislative Analyst (CLA) reports relative to aligning the LWO with the Citywide Minimum Wage.
2. INSTRUCT the CLA, with the assistance of other City Departments as needed, to report in regard to the impacts of an Ordinance that would update the LWO wage rates and benefits policies in the City of Los Angeles as follows:
 - a. Revising the LWO Non-Airport Living Wage to increase the non-Los Angeles World Airports (LAWA) wage rate at equal annual increments until such rates are an amount one dollar above the City of Los Angeles minimum wage on July 1, 2021.
 - b. Effective July 1, 2018, include annual health increases and match the annual health increases for non-LAWA living wage to the percentage increase of the US Bureau of Labor Statistics Consumer Price Index for All Urban Consumers: Medical care services.
 - c. Amending Los Angeles Administrative Code Section 10.37.12 to add that when any Collective Bargaining Agreement (CBA) expires or is open for negotiation of compensation terms, the CBA may only expressly supersede the requirements of the LWO when an employee is paid a wage not less than the applicable wage rate.

Fiscal Impact Statement: The CLA reports that there is no General Fund impact.

Community Impact Statement: None submitted.

Summary:

On June 27, 2017, your Committee considered June 9, 2017 and June 12, 2017 CLA reports relative to aligning the LWO with the Citywide Minimum Wage. According to the CLA, in 2016, during the last amendment of the LWO, it came to the City's attention that by July 1, 2017, the City's minimum wage will surpass the wage rates in the City's LWO. Allowing the minimum wage rates to surpass the living wage rates creates confusion between employers and employees with regard to wages earned and complicates administration of the program by the Bureau of Contract Administration (BCA). To resolve issues surrounding wage discrepancies, on May 11, 2016, Council adopted recommendations (Council File No. 15-0817) instructing the BCA, with the assistance of the CLA and City Attorney, to report on options to better align the City's living wage and minimum wage policies, and ensure that no workers are paid below the minimum wage. The CLA is recommending adjusting the living wage rates to align with the minimum wage rates, which would simplify and streamline City wage policies and ensure that wages earned for employees affected by the LWO are not otherwise reduced.

After consideration and having provided an opportunity for public comment, the Committee

moved to note and file the two CLA reports. Additionally, the Committee moved to recommend instructing the CLA to report back to Committee in regard to increasing the non-LAWA wage rate as detailed in Recommendation No. 2. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

ECONOMIC DEVELOPMENT COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
PRICE:	YES
CEDILLO:	ABSENT
HARRIS-DAWSON:	YES
KREKORIAN:	YES
O'FARRELL:	YES

ARL
6/27/17

-NOT OFFICIAL UNTIL COUNCIL ACTS-