

ECONOMIC DEVELOPMENT COMMITTEE REPORT relative to adding an exemption for transitional job programs to the Citywide Minimum Wage Ordinance.

Recommendation for Council action, as initiated by Motion (Cedillo - Huizar - Bonin - et al.):

REQUEST the City Attorney to:

- a. Draft an ordinance that would allow for employers of job training programs an exemption from the Citywide Minimum Wage Ordinance during the first 18 months of training for each worker participating in the training program; and, INSTRUCT the Public Works Bureau of Contract Administration (BCA) to certify that the employers meet specific criteria before being granted the exemption as outlined in Los Angeles Administrative Code Section 10.31.3(c), with additional criteria requiring 501(c)(3) status.
- b. Include, in drafting the ordinance, strict and tightly-defined language regarding the definition of a transitional employee and those that would be considered hardest to employ in order to ensure that employers do not abuse this exemption.

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

Community Impact Statement: None submitted.

SUMMARY

At its regular meeting held on June 23, 2015, the Economic Development Committee considered Motion (Cedillo - Huizar - Bonin - et al.) relative to an exemption for transitional or job training programs from the Citywide Minimum Wage Ordinance.

During discussion of this matter, the Committee Chair requested that the City Attorney, in drafting an ordinance for an exemption, include strict and tightly-defined language regarding the definitions of a transitional employee and those who would be considered "hardest to employ," in order to ensure that employers do not abuse the exemption. The Committee member and maker of the original Motion further moved to amend the Motion by asking the City Attorney to draft an ordinance that would allow the exemption from the Citywide Minimum Wage Ordinance for employers of job training programs during the first 18 months of training for those employees in such programs, and for the BCA to certify that employers meet certain specific criteria for the exemption including the requirement of 501(c)(3) status (tax-exempt status under Section 501(c)(3) of the United States Internal Revenue Code). The Committee member and original maker of the Motion also submitted into the record a letter outlining the basis and findings for such an exemption.

After providing an opportunity for public comment, the Committee approved the Motion as amended. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

ECONOMIC DEVELOPMENT COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
PRICE:	YES
KREKORIAN:	YES
HUIZAR:	ABSENT
CEDILLO:	YES
MARTINEZ:	YES
WESSON:	YES
KORETZ:	YES

REW
6/24/15
FILE NO. 14-1371-S5

-NOT OFFICIAL UNTIL COUNCIL ACTS-