



BOB BLUMENFIELD
Councilmember, Third District

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Submitted in Econ. Dev. Committee
Council File No: 14-1371, 14-1371-51
Item No.: 1, 14-1371-58
~~Category:~~ Communication from
Councilmember
Blumenfield

March 31, 2015

Honorable Curren Price, Jr.
Chair, Economic Development Committee
City of Los Angeles
200 N Spring Street
Los Angeles, California 90012

RE: CF 14-1371 - CITYWIDE MINIMUM WAGE INCREASE

Dear Chairman Price:

Thank you for your leadership on the minimum wage and your dedication to lifting Angelenos out of poverty. Thank you also for coming to the Valley tonight. We appreciate you and your committee colleagues making a special effort to hear from Valley voices.

Like you, I strongly support raising the wage. I want to make sure that we get it right so that low income families earn more money while we create jobs. To do so, we must make sure our constituents benefit from the wage more than they lose out from possible layoffs or job losses. It is my hope that we will include "performance triggers" in any eventual minimum wage proposal, to give us checks and balances to get the timing right.

We also need strong enforcement against wage theft. It's the right thing to do to make sure hardworking people get paid what they've earned.

As you know, I have been working with Councilmembers Felipe Fuentes and Mitch O'Farrell on some possible solutions to some of the challenges a higher wage may pose to our nonprofits and small businesses. Solutions I hope this committee will join in considering. While we have outlined them in a nine page letter, they include:

1. For some nonprofits, we must provide a longer phase-in to allow time to adjust, time to lobby for higher reimbursement rates, and time to plan so crucial services aren't cut too deeply. One measure of a nonprofit's ability to adjust is if their top executive earns more than ten times the minimum wage. Los Angeles had given similar special dispensation to nonprofits that have such a wage disparity ratio in implementing the Living Wage Ordinance.
2. Providing certain small businesses a longer phase in. Our neighborhood storefronts already face a high risk of failure, and they might need additional time to make the adjustment.
3. Taking into account total compensation for workers who get commissions, benefits, paid time off, or gratuities, so they earn at least the minimum wage but allow a lower hourly wage if it is only one part of their total earnings.

4. Helping certain nonprofits that train and support people with economic disadvantages, such as a criminal record, developmental disability, or homelessness. They may need a transitional "on ramp" wage to get skills and jobs. Youth should also be encouraged to take that first job or summer job in a transitional program.

I believe these ideas would make the minimum wage work for everyone and appreciate your thoughtful review. Thank you for your efforts and engagement.

Sincerely,

A handwritten signature in black ink, appearing to read "Bob Blumenfeld". The signature is written in a cursive, somewhat stylized font.

BOB BLUMENFIELD
Councilmember, Third District