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REPORT NO. **R22-0215**
JUN 13 2022

REPORT RE:

**DRAFT ORDINANCES AND BALLOT RESOLUTIONS RELATED TO A CERTIFIED
INITIATIVE PETITION REGARDING A MINIMUM WAGE FOR EMPLOYEES
WORKING AT HEALTHCARE FACILITIES**

The Honorable City Council
of the City of Los Angeles
Room 395, City Hall
200 North Spring Street
Los Angeles, California 90012

Council File No. 22-1100-S4

Honorable Members:

The City Clerk has presented the City Council with a certified initiative petition in support of a proposed ordinance regarding a minimum wage for employees working at healthcare facilities. The City Charter requires Council to take certain actions upon presentation of a certified initiative petition. This report summarizes the background of the initiative petition, the provisions of the proposed ordinance, and Council's options under the Charter. Accompanying this report are draft ordinances and ballot resolutions to facilitate Council action on the initiative petition.

Background

On May 4, 2022, a group of proponents submitted an initiative petition to the City Clerk containing voter signatures in support of a proposed ordinance regarding a minimum wage for employees working at healthcare facilities. On May 27, 2022, the City Clerk completed its preliminary review of the initiative petition and accepted it for processing. The City Clerk thereafter examined the voter signatures contained on the petition using the random sampling method authorized in the City Election Code and in

accordance with Charter Section 451. The City Clerk has now completed that examination and has determined that the initiative petition contains a sufficient number of valid voter signatures to qualify for presentation to the City Council. The City Clerk certified the petition as sufficient on June 9, 2022, and presented the certified petition to Council on June 10, 2022.

Summary of the Proposed Ordinance

The ordinance proposed by the initiative petition would establish a \$25 per hour minimum wage for an employee working at a covered healthcare facility in the City, including a clinician, nurse, aide, technician, maintenance worker, janitorial or housekeeping staff, groundskeeper, guard, food service worker, pharmacist, and administrative or clerical worker, but not including a manager or supervisor. A covered healthcare facility would include a hospital, clinic, hospital skilled nursing facility, and other facilities specified in the ordinance. The minimum wage rate would be adjusted annually for increases in the cost of living. The ordinance would prohibit an employer from funding the minimum wage increase through layoffs or reductions in benefits or hours. The ordinance would allow a one-year, court-granted waiver to an employer demonstrating sufficient financial hardship.

More specifically, the proposed ordinance would amend the Los Angeles Municipal Code to incorporate the following elements:

1. A Covered Healthcare Facility would be required to pay its employees a minimum wage of \$25 per hour.
 - a. Beginning on January 1, 2024, and every year thereafter, the minimum wage would increase based on the annual increase in a specified consumer price index.
 - b. A healthcare worker subject to the \$25 per hour minimum wage would include a clinician, professional, non-professional, nurse, certified nursing assistant, aide, technician, maintenance worker, janitorial or housekeeping staff person, groundskeeper, guard, food service worker, laundry worker, pharmacist, administrative worker, and business office clerical worker. The Initiative would essentially cover all workers of a Covered Healthcare Facility with the exception supervisors and managers.
 - c. A Covered Healthcare Facility would include privately owned facilities such as a hospital, a psychiatric hospital, a clinic of a hospital or psychiatric hospital, a skilled nursing facility of a hospital or psychiatric hospital, a residential care facility for the elderly

affiliated with a hospital, and chronic dialysis clinics. Covered Healthcare Facility also would include a physicians group, health care service plan, medical foundation clinic, or other facility or clinic, if it is affiliated or has a contractual relationship with a hospital.

2. A Covered Healthcare Facility would be prohibited from funding the Minimum Wage increase by any of the following means:
 - a. Reducing Healthcare Worker's premium pay rates or shift differentials;
 - b. Reducing vacation, healthcare, or other non-wage benefits of any Healthcare Worker;
 - c. Reducing Healthcare Worker's hours of work;
 - d. Laying off Healthcare Workers; or
 - e. Increasing charges to any Healthcare Worker for parking, work-related materials, or equipment.
3. The provisions of the proposed ordinance would be subject to the same procedures, rights, remedies, duties, penalties, and enforcement mechanisms provided under Office of Wage Standards Ordinance.
4. The Office of Wage Standards of the Bureau of Contract Administration would be designated with administrative responsibilities to promulgate rules and regulations and issue determinations and interpretations relating to the ordinance.
5. A Covered Healthcare Facility would be prohibited from retaliating against a healthcare worker for asserting any right under the ordinance.
6. An employee or other person acting on behalf of the public would be allowed to bring a civil action against an employer who violates the ordinance.
7. A court would be allowed to grant to a one-year waiver from the minimum wage requirements to a Covered Healthcare Facility that is financially unable to comply with the ordinance.

Council Options

Charter Section 452 provides that, when a valid and certified initiative petition requesting adoption of a proposed ordinance is presented to the City Council, the City Council must take one of the following actions:

- (i) Adopt the proposed ordinance;
- (ii) Submit the proposed ordinance to a vote of the electors of the City at a special stand-alone election held no earlier than 110 days but no later than 140 days after the Council acts; or
- (iii) Submit the proposed ordinance to a vote of the electors of the City at either the next City election or the next Statewide election occurring more than 110 days from the date of Council action (i.e., the City's General Municipal Election held on November 8, 2022).

Charter Section 452 provides that Council must take one of these actions within 20 days after the presentation of a valid certified petition. For this initiative, that deadline is June 30, 2022.

Should the Council wish to adopt the proposed ordinance, we have attached the ordinance proposed in the initiative. (See Option 1 Attachment.) Should the Council wish to submit the proposed ordinance to the voters, we have attached an election ordinance and ballot resolutions to place the measure on the ballot at the City's General Municipal Election, consolidated with the State General Election, on November 8, 2022. (See Option 2 Attachments.)¹ The election ordinance and resolutions include a ballot title for the measure, which must be 75 words or less.

¹ Please note that we have not transmitted documents for a special stand-alone election because the option of holding an election on the proposed ordinance during the relevant time frame can be accomplished by placing the measure on the ballot at the City's General Municipal Election already scheduled for November 8, 2022.

If you have any questions regarding this matter, please contact Deputy City Attorney Dania Minassian or Deputy City Attorney Harit Trivedi at (213) 978-7100. They or another member of this Office will be available when you consider this matter to answer questions you may have.

Sincerely,

MICHAEL N. FEUER, City Attorney

By 

DAVID MICHAELSON
Chief Assistant City Attorney

DM:HT:cl
Transmittal