California Local Minimum Wage Enforcement

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Wage Theft:
A serious problem for low-wage workers

FIGURE 5. MINIMUM WAGE VIOLATION RATES BY INDUSTRY, LOS ANGELES COUNTY, 2008

Source: Milkman et al, “Wage Theft and Workplace Violations in Los Angeles” 2010
Why enforce at the local level?
Stagnant federal and state resources
What can cities do to ensure robust enforcement?

Three pillars

1. Strong legal tools in the minimum wage laws themselves
2. A well-staffed local agency that is committed to proactive enforcement strategies
3. Ongoing partnerships with community-based organizations

A standard set of enforcement provisions in California’s local minimum wage laws

<table>
<thead>
<tr>
<th>City</th>
<th>Enforcement Agency</th>
<th>Fines, penalties, &amp; damages</th>
<th>Private right of action</th>
<th>Retaliation protection</th>
<th>Posting &amp; payroll access</th>
<th>Revoke licenses, permits, contracts</th>
<th>Outreach &amp; education</th>
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### Enforcement Agency Functions

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<tr>
<th>Conduct education + outreach</th>
<th>Respond to complaints</th>
<th>Partner</th>
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<tbody>
<tr>
<td>• Educate and annually notify workers and employers</td>
<td>• Receive, investigate, adjudicate complaints</td>
<td>• Coordinate with other agencies, leverage business licenses, permits</td>
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<tr>
<td>• Respond to questions from employers and workers</td>
<td>• Cite and collect fees and penalties</td>
<td>• Contract with community groups on outreach and education</td>
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<td>• Maintain hotlines, websites</td>
<td>• Address language needs</td>
<td>• Foster effective partnerships with relevant state and local agencies</td>
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<td>• Public education campaigns (e.g. bus signs)</td>
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<td>• Publicize enforcement actions</td>
<td><strong>Target key industries</strong></td>
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<td>• Conduct proactive investigations, targeting industries with high rates of abuse</td>
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Who should enforcement minimum wage?

Public
- Federal DOL wage & hour division
- State agencies (DLSE & BOFE)
- City / county officials

Non-profit
- Community groups
- Unions

Private
- Private bar
- Other?
Community Organizations

Why partner with CBOs?
• Worker trust
• Language skills
• Cultural competency
• Industry knowledge

Photos: Chinese Progressive Association of San Francisco
Small city enforcement options

1. **Act as liaison between workers, state agency, and other stakeholders:**
   - Respond to workers’ questions and direct claims to legal services groups and/or the DLSE
   - Trouble-shoot problems with current cases, advocate with state agency
   - Educate and notify employers about the city’s minimum wage law
   - Fund and partner with local community groups and legal services providers to conduct worker outreach and education
   - Where few community groups exist, coordinate media campaigns to educate the public broadly
   - Partner with the state to strategize pro-active enforcement audits

2. **Investigate, process and generate cases:**
   - Investigate and adjudicate wage & hour complaints
   - Issue citations and collect administrative fees and penalties
   - Conduct proactive investigations that target industries with high rates of violations

- **Rely on state agency**
- **Contract with other city**
- **Pool resources with other small cities to fund regional enforcement**

**Designate a city official**
How much enforcement? Staffing and resources in large cities

• San Francisco
  – 5.5 FTE investigating Minimum Wage and Paid Sick Leave
  – $1.4m budget
  – $482,000 for community groups

• Seattle
  – 4 FTE
  – $1.2m budget
  – $1 million for community groups over 2 years

• Los Angeles
  – 5 FTE first year; 19 investigators requested
  – $700,000 first year
  – $1m per year for community groups requested
Questions?

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