California Local Minimum Wage Enforcement

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Wage Theft: A serious problem for low-wage workers

Source: Milkman et al, “Wage Theft and Workplace Violations in Los Angeles” 2010
Why enforce at the local level?
Stagnant federal and state resources

**FIGURE 1.1**

DOL Enforcement Spending by Program and Presidential Administration, 1977–2007

(Constant millions of dollars)

- **Carter**: $310 m
- **Reagan**: $294 m
- **Bush (I)**: $294 m
- **Clinton**: $289 m
- **Bush (II)**: $312 m

Source: *Budget of the U.S. Government, Various Years* (Constant 1982-84 dollars).
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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<tbody>
<tr>
<td>Berkeley</td>
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## Enforcement Agency Functions

<table>
<thead>
<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>
<td><strong>Target key industries</strong></td>
<td>• Conduct proactive investigations, targeting industries with high rates of abuse</td>
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<td>• Publicize enforcement actions</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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