Finance Committee Meeting
Thursday, November 20, 2014
6:00 pm, Room 209 City Hall

1. Approve Minutes Of October 23 And November 13 Meeting
2. Minimum Wage

   Documents: MEMO TO FC RE MINIMUM WAGE ORDINANCE WITH ATTACHMENTS.PDF

   2.I. White House Minimum Wage Report August 2014

   Documents: WHITE HOUSE MINIMUM_WAGE_REPORT2_1.PDF

   2.II. History Of Executive Action

   Documents: HISTORY OF EXECUTIVE ACTIONS.PDF

3. CIP/FY'15 Outlook And Debt Strategy
4. Stormwater Recommendation

CITY OF PORTLAND

MEMORANDUM

TO: Chair Mavodones and Members of the Finance Committee

CC: Mayor Brennan and Members of the Portland City Council

FROM: Danielle P. West-Chuhta, Corporation Counsel Sheila Hill-Christian, Acting City Manager

DATE: November 20, 2014

RE: **Proposed Minimum Wage Ordinance**

I. Summary of the Proposed Minimum Wage Ordinance

The proposed Minimum Wage Ordinance (see attached draft ordinance, which is also available on the City's web site with the Finance Committee agenda materials) requires employers located in the City of Portland to pay employees 18 years of age and older working in the City of Portland a minimum amount per hour that is higher than the state minimum wage rate of $7.50 an hour, which itself is $0.25 higher than the federal minimum wage of $7.25 an hour.

The proposed Portland minimum wage would be $9.50 an hour starting July 1, 2015; $10.10 starting January 1, 2016; and $10.68 per hour starting January 1, 2017. On the first of every subsequent year, the minimum wage rate would increase by the percentage calculated by the Consumer Price Index for All Urban Consumers (CPI-U). It would not change if the increase was 0.05 percent or less or if there was a decrease.

This rate would cover all employees 18 years of age and older, including employees who receive tips in addition to wages, to assure that their hourly wages add up to the minimum wage rate set each year. An exception is an individual working for academic credit from an accredited educational institution. Employers are required to post a Notice showing the Minimum Wage Rate and the text of the ordinance in the workplace.

II. Responses to Committee Questions

During the first Finance Committee meeting on the Mayor's Proposed Minimum Wage Ordinance, several questions arose from various councilors. The following is a response to those questions:

1) Was this minimum wage initiative in or on the Council work plan?

   Attached please find the Council Work Plan for this year. As you will see, the Mayor's Proposed Minimum Wage Ordinance is not included in the work plan.

2) How do other municipalities handle enforcement of their ordinances and has it been successful?

Attached please find the minimum wage ordinances from Washington, DC; San Francisco, CA; Albuquerque, NM; and Seattle, WA. Most of the ordinances specify that enforcement shall occur through municipal inspections of wage records and allow for penalties to be issued for violations, as well as for judicial review, if necessary.

As reported by Michael Havlin, who provided the Mayor and the Finance Committee with research on minimum wage enforcement, San Francisco's Office of Labor Standards has been strict and effective in its investigation and penalties for violations, which include revocation of permits necessary to do business. San Jose, CA, requires that employers keep four years of payroll records in the event of a complaint investigation. In cities without effective enforcement, as has been the case in Washington, DC, the number of workers earning below the minimum wage has actually increased.

Overall, since the ordinances are relatively new, it was difficult to find out how successful these enforcement provisions have been to date. With that said, the City of San Francisco has produced a report which indicates that between 2004 and 2012 its Office of Labor Standards Enforcement (which assigns 7.5 compliance officers to minimum wage enforcement) addressed 616 worker complaints and recovered $5.8 million in wages on behalf of 3,004 workers (see attached article re: San Francisco).

3) Statistics/Data with regard to the number of employees in Portland that are currently being paid minimum wage, as well as what the cost of living/rent, etc. in the City that justifies a raised minimum wage.

Attached are some figures we were able to find regarding minimum wage workers. The following is a summary list of that information while doing research in October:

- Portland Public Schools Eligibility for Free Lunch as of October 31, 2013
- Cost of living Index for Selected U.S. Cites
- National Low Income Housing Coalition "Out of Reach" 2014 report, selected pages concerning Maine

4) How would this minimum wage ordinance affect the City? Are there any staff being paid less than $10.00 an hour?

According to Financial Specialist Lori Schools, the City would have a cost of $9,489.50 for 17 employees who are paid less than $9.50 an hour; in the second year the cost would be $9,132.64 for 272 employees who are paid $10.00 or less per hour.

She also reports that the Portland Public Library's cost for the first year would be $18,245.75 for 30 employees who are paid less than $9.50 an hour; in the second year, the cost would be $7,048.35 for 33 employees who are paid $10.00 or less per hour.

5) Additional Legal Research. In the attached memo we follow up on our legal research re: minimum wage ordinances and specifically address potential claims against the proposed ordinance (see attached).

Attachments:

1. Draft Ordinance
2. Council Goals and Objectives Action Plan
3. Ordinance Examples from Washington, DC, San Francisco, CA, Albuquerque, NM, and Seattle, WA.
4. Havlin, Michael, A City-Wide Minimum Wage in Portland, Maine
5. Reich, Michael et al, Local Minimum Wage Laws: Impacts on Workers, Families and Businesses
6. Statistics from various sources
7. Proposed Minimum Wage Ordinance Research re: home rule and constitutional challenges

DRAFT

Chapter 33 MINIMUM WAGE ORDINANCE

Art.	**I.**	**Purpose, §33.1**
Art.	**II.**	**Definitions, §33.2 - 33-6**
Art.	**III.**	**Minimum Wage, 33-7**
Art.	**IV.**	**Notice, Posting and Records, 33-8**
Art.	**V.**	**Enforcement, 33-9**
Art.	**VI.**	**Relationship To Other Requirements, 33-10**
Art.	**VII.**	**Severability Clause, 33-11**
Art.	**VIII.**	**Effective Date, 33-12**

ARTICLE I

Sec. 33.1. Purpose.

WHEREAS, the cost of living in Portland has increased making life here cost, as a percentage of income, as much as is paid by residents of Chicago, Illinois, Sacramento, California and other major United States cities where the minimum wage is much higher; and

WHEREAS, an estimated 20,000 workers in the State of Maine work for minimum wage, and a substantial number of them are among the City of Portland's more than 65,000 wage and salary earners; and

WHEREAS, The Massachusetts Institute of Technology has calculated that, for a single adult to support him- or herself in Portland at the current minimum wage, he or she would need to work over 50 hours a week; and

WHEREAS, more than 50 percent of Portland public school students are eligible for free lunch, meaning their families have incomes at between 100 percent and 185 percent of the Federal poverty level, which is higher than what a single parent with one child in school would earn with a full-time minimum wage job; and

WHEREAS, rising housing costs, including an increase in the median home price from $125,200 in 2000 to $238,400 in 2012, are pushing low wage workers out of the City; and

WHEREAS, the Fair Market Rent in the Portland Area for a two-bedroom apartment is $1,012, and a full-time worker job would have to earn at least $19.46 per hour to afford that rent;

NOW THEREFORE, the City Council of the City of Portland, Maine hereby establishes the following minimum wage ordinance applicable to all Employers and Employees within the City of Portland.

ARTICLE II

Sec. 33.2. Definitions.

Unless the context otherwise indicates, the following words shall have the following meanings.

City: City of Portland.

City limits: the physical boundaries of the City.

Employer: Any individual, group of individuals, partnership, association, corporation, business trust, or any other entity or group of persons or entities who employs or exercises control over the wages, hours, or working conditions of any Employee. "Employer" shall include but not be limited to the City of Portland.

Employee: Any person 18 years of age or older who performs work for an Employer for monetary compensation within the municipal limits of the City. Employee shall include persons who perform work for an employer on a full-time, part-time, seasonal or temporary basis. "Employee" shall not include any person who is excluded from the definition of Employee under 26 M.R.S. §663 of Chapter 7, Employment Practices and working for an Employer for academic credit from an accredited school, college or university.

Minimum wage: The minimum hourly rate of monetary compensation that an Employer may legally pay an Employee, including, but not limited to, Tipped Employees, for work within the City.

Tip: A sum presented by a customer as a gift or gratuity in recognition of some service performed by the Employee.

Tipped Employee: Any Employee 18 years of age or older engaged in an occupation in which he or she customarily and regularly receives tips from customers.

Sec. 33.5 - 33-6 Reserved.

Article III.

Section 33.7. Minimum Wage.

(a) *Minimum wage payment required:* Except as provided herein, Employers shall pay all Employees no less than the minimum wage for each hour worked within the City Limits. Tips received and retained by a Tipped Employee shall be counted as wages and credited as provided in 26 M.R.S. §664 toward satisfaction of the minimum wage. In any given pay period, if a Tipped Employee does not receive tips in an amount at least equal to the minimum wage established by this ordinance, then the Tipped Employee's Employer shall pay him or her the difference between the amount the Tipped Employee actually received and the minimum wage established by this ordinance.

(b) *Minimum wage rate.*

(i) On July 1, 2015, the minimum wage for all Employees, including, but not limited to, Tipped Employees, shall be established as $9.50 per hour;

(ii) On January 1, 2016, the regular minimum wage for all Employees, including, but not limited to, Tipped Employees, shall be raised to $10.10 per hour;

(iii) On January 1st 2017, the regular minimum wage for all Employees, including, but not limited to, Tipped Employees, shall be raised to $10.68 per hour; and

(iv) On every first day of January following January 1, 2017, and every first day of

January thereafter, the minimum wage for all Employees, including, but not limited to, Tipped Employees, shall increase at the percentage set by the Consumer Price Index for All Urban Consumers (CPI-U) of the previous most up-to-date twelve (12) months as reported by the Bureau of Labor Statistics. The sum of the most recent twelve months for which there is a calculated CPI-U reported by the Bureau of Labor Statistics will be the rate by which to define the increase in the minimum wage. For example, if the Bureau of Labor Statistics reports that every month from January, 2017, to December, 2017, experienced a 1 percent price increase, then the increase in the minimum wage would be 1.2 percent. If the CPI-U increases by less than 0.005 percent or if it decreases, the minimum wage for all Employees, including, but not limited to, Tipped Employees, will not change.

ARTICLE IV.

Sec. 33.8. Notice, Posting and Records.

(a) *Notice to Employees.* Every employer shall post in a conspicuous place at any workplace or job site where any Employee works, a notice to be provided by the City informing Employees of the City's current minimum wage rates, as well as a copy of this ordinance.

(b) *Records.* Employers shall maintain payroll records showing hours worked daily by and the wages paid to all Employees, including, but not limited to, Tipped Employees. Employers shall retain such payroll records pertaining to all Employees for a period of at least three (3) years after an Employee has left employment.

(c) The City shall have access to any and all Employer payroll records subject to this ordinance during business hours to investigate whether or not an Employer has violated any of the provisions of this chapter.

ARTICLE V.

Sec. 33.9. Enforcement.

(a) Any Employee, including, but not limited to, a Tipped Employee, receiving less than the minimum wage he or she is required to receive under this ordinance may file a written complaint with the City Manager's office.

(b) The City Manager or his or her designee may take appropriate steps to enforce this chapter; and may investigate and issue a response to the complaint within fifteen (15) work days following the receipt of a complaint. The City Manager's or his or her designee's response to the complaint shall be final.

(c) If the City Manager finds that a violation of this chapter has occurred, he or she may order any appropriate relief including, but not limited to, the payment of any back wages withheld and/or the payment of $100.00 as a penalty for each day that a violation of this chapter has occurred. A violation of this Ordinance may also be considered a civil violation subject to the general penalty provisions of section 1-15 of this Code.

(d) In the alternative, any Employee, including, but not limited to, a Tipped Employee, may bring an action in a Court of competent jurisdiction against the Employer for any and all violations of this chapter, including, but not limited to, wages and expenses owed under this chapter.

ARTICLE VI.

Sec. 33.10. Relationship To Other Requirements.

This ordinance provides for payment of minimum wage rates within the City and shall not be construed to preempt or otherwise limit or affect the applicability of any other law, regulation, requirement or policy that provides for payment of higher wages and/or benefits. Nothing contained in this ordinance prohibits an employer from paying more than the minimum wage rates established herein.

ARTICLE VII.

Sec. 33.11. Severability Clause.

If any section, paragraph, sentence, word or phrase of this ordinance is for any reason held to be invalid or unenforceable by any court, such decision shall not affect the validity of the remaining provisions of this ordinance.

ARTICLE VIII.

Sec. 33.12. Effective Date.

This ordinance shall take effect on July 1, 2015.

Goals and Objectives

Action Plan

Goal: Implement the City's revised Tax Increment Financing (TIF) program that focuses on the creation of appropriately sized and designed TIF districts and advances other council goals in the areas of transit, economic development, public infrastructure and municipal finance.

1) Secure City Council approval of a combined "Downtown TIF", "Waterfront TIF" and "Transit Oriented Development (TOD) TIF" or separate TIF's whichever is determined to be in the best interest of the city.

Lead Department: Economic Development **Status:** In Progress

Action Step / Comments	Planned Completion	Revised Completion	Actual Completion
1) Develop Downtown Redevelopment Plan for Downtown TOD/TIF as needed for DECD approval	9/1/2014	12/31/2014	
Planning Division drafted a Downtown revitalization plan based upon existing documents.			
2) Work with METRO to develop cost estimates of improved service to determine funding needed from TOD TIF in the downtown	8/1/2014		8/1/2014
Planning and Economic Development staff have met with their General Manager on an ongoing basis to develop these estimates, focus is on two proposals; Hublink connecting transit center w/airport&waterfront & increasing frequency of #1 route			
3) Develop policy with HCDC for areas to encompass Downtown TOD/TIF, Expanded Bayside TIF, Reduced Arts TIF District for Baxter Library only, Reduce Ocean Gateway Garage to just Garage property.	6/30/2014		5/25/2014
Proposal is for Arts TIF to be reduced to Baxter Library only - remaining property to go into Downtown TOD/TIF; Ocean Gateway Garage TIF to be reduced to just Garage property, remaining property to go into Downtown TOD/TIF.			
4) Based on policy of areas for various TIF Districts, bring Downtown TOD TIF District and expanded Bayside TIF District to HCDC and City Council approval and then forwarded to MDECD for final approval.	10/1/2014	1/31/2015	
Expanded Bayside TIF going to City Council 11/3/2014 for 1st reading, and then second reading and vote on 11/17/2014, followed by submittal to MDECD for approval after Council vote. Arts TIF District and Ocean Gateway TIF District reductions, and new Downtown TOD TIF District being reviewed by HCDC November/December 2014 and then forwarded to City Council and MDECD for approval.			
5) Terminate Bayhouse (a/k/a Village at Oceangate) TIF District and Fore India Middle LLC TIF District set for one reading at Council 11/3/2014.	11/17/2014		
6)			

Goals and Objectives

Action Plan

Goal: Promote Economic Development in the City in a manner that provides for increased property values, diversification across industry sectors, and high paying jobs.

1) Complete the following 2014-2015 work plan municipal assigned tasks associated with the Portland Economic Development Plan:

- Visit ten businesses with the Mayor to learn about existing business issues and business expansion opportunities,
- Market the Portland Technology Park to secure a minimum of one tenant,
- Advance work on the "Minority and Women-owned Business Development Initiative",
- Secure City Council approval to invest Community Development Block Grant (CDBG) funds in workforce development,
- Re-establish ferry service to Nova Scotia, and
- Develop a scope of work to invest State transportation bond funds in harbor dredging along Portland's waterfront.

Lead Department: Economic Development **Status:** In Progress

Action Step / Comments	Planned Completion	Revised Completion	Actual Completion
1) Visit ten to 12 businesses each year with Mayor to learn about existing business issues and business expansion opportunities.	12/31/2015		
City Economic Development (ED) staff selects and arranges these visits. During 2014 to date (10/27/2014), visited 8 businesses with Mayor; and one more planned for 11/6/2014, and one for 12/2014.			
2) Market the Portland Technology Park to secure minimum of one tenant annually.	12/31/2015		
City ED staff markets directly thru: City website; Maine Life Sciences Guide; a Trade Mission to Iceland/UK in 6/2014; existing businesses looking to expand; Universities through referrals; law firms with out-of-state offices and knowledge of business relocation opportunities to Maine. Currently working with one business prospect.			
3) Advance work on the "Minority and Women-owned Business Development Initiative"	6/30/2015	9/30/2015	
City staff is working with SBA to design and implement a new business training program for minority and women owned businesses, based on similar programs in Rhode Island			
4) Re-establish ferry service to Nova Scotia.	5/15/2014		5/15/2014
Ferry service began May 2014 and ended in October 2014, with 59,000 passangers for the first season.			
5) Develop RFP for the design and permitting of the Confined Aquatic Disposal Cell utilitizing State transportation bond funds.	9/30/2014		
The Waterfront Coordinator has convened a Non-Federal Dredge (NFD)Workgroup to determine the best location for a Confined Aquatic Disposal (CAD) site(s) in Portland Harbor. The NFD is a diverse group of local Portland and South Portland officials, state and federal agency representatives, pier owners, environmental advocates and industry representatives seeking to facilitate the dredging of piers in the harbor. This group has identified a preferred site for a CAD cell and the State of Maine has committed funding for design permitting services. During the end of 2014, the City will be working with the State and the NFD to procure consulting services. The hope is to complete permitting for a CAD cell in 2015 or early 2016.			

Goals and Objectives

Action Plan

Goal: Promote Economic Development in the City in a manner that provides for increased property values, diversification across industry sectors, and high paying jobs.

6)	Provide ongoing staff support to Portland Development Corporation in bring new loan and grant requests to Board for assistance to new and growing businesses.	12/31/2015	
	ED staff supports the PDC. As of FYE2014, the PDC invested over $1 Million in 19 business and economic development projects, which leveraged $56 Million in private sector funds assoicated with creating 84 jobs and retaining 13 jobs. This was a milestone year for the PDC.		
7)	Secure City Council Approval to invest Community Development Block Grant Funds in workforce development	4/30/2014	4/30/2014
	$400,000 in CDBG funding was approved and a contract was issued to CSI to do conduct this work		
8)	Façade Improvement Program. By Spring 2015, public investment through grants to business and property owners will total approx. $185,000, leveraging close to $400,000 of private investment for improvements to 16 storefronts on Congress Street.	6/30/2015	
	These grants provide an incentive for building and business owners to invest in rehabilitating their storfronts, and replacing deteriorated signs and awnings.		

Goals and Objectives

Action Plan

Goal: Provide increased availability in all segments of the housing market while insuring that there is a suitable balance of housing opportunities among those sectors.

1) Complete assessment of and, as appropriate, begin to offer city owned property to construct affordable housing.

Lead Department: Planning and Urban Development **Status:** In Progress

Action Step / Comments	Planned Completion	Revised Completion	Actual Completion
1) Complete overview of City owned parcels and present findings to HCDC	2/1/2014		2/26/2014
Earlier feedback from HCDC was incorporated into a final recommendation to examine a site on Munjoy Hill that was formerly part of the Adams School property. Additional research will be done on a parcel used for parking at the corner of Spring and High Streets			
2) Conduct environmental and site assessments for Munjoy Hill parcel	6/1/2014	7/15/2014	9/1/2014
Complete at this time, may need some additional work if the Munjoy Street parcel is developed.			
3) Develop RFP for developer of Munjoy Hill parcel and present to HCDC	7/1/2014	9/1/2014	10/1/2014
HCDC asked staff to do additional outreach before issuing RFP. Staff flyered the neighborhood and has sent out two mailing two abutters announcing the HCDC meetings to discuss.			
4) Issue RFP for developer of Munjoy Hill parcel	8/1/2014	11/15/2014	
This release has been delayed due to additional outreach efforts outlined above.			
5) Present findings of further research on Spring and High parcel to HCDC	8/1/2014		5/1/2014
Have presented some findings, research is ongoing			
6) If determined appropriate by Council, develop RFP for developer of Spring and High parcel and present to HCDC	10/1/2014	10/1/2015	
The research to date indicates that redevelopment of this parcel would require approval of MDOT			
7) If applicable, issue RFP for developer of Spring and High parcel	11/1/2014	11/1/2015	
See above1			
8) Develop public process for reuse of the Reed School parcel and consult with HCDC as to the possible role of affordable housing development on that site	8/1/2014		6/10/2014
Staff is beginning the public process			
9) Complete public process for resue of Reed School parcel and present recommendations to HCDC as to reuse	12/15/2014	2/1/2015	
Just getting under way now			
10) Explore other sites as opportunities arise	12/31/2014	2/1/2015	
Investinging school parking locations at Reiche School.			

Goals and Objectives

Action Plan

Goal: Provide increased availability in all segments of the housing market while insuring that there is a suitable balance of housing opportunities among those sectors.

2) Complete draft of an inclusionary zoning ordinance in the India Street neighborhood and present to Planning Board and Housing and Community Development Committee for review and recommendations to City Council

Lead Department: Planning and Urban Development **Status:** In Progress

Action Step / Comments	Planned Completion	Revised Completion	Actual Completion
1) Present working draft of inclusionary ordinance to India Street Neighborhood Advisory Council	4/1/2014		5/1/2014
2) Present final recommendation for inclusionary ordinance to HCDC for feedback	6/1/2014	12/31/2014	
Staff decided to complete a housing study with GPCOG to inform any regulatory changes. That work is almost complete.			
3) Submit draft inclusionary ordinance to Planning Board for recommendation to City Council	9/1/2014	2/1/2015	

3) Complete draft rewrites of the R6, R7, and B-2 portions of the zoning ordinance to allow for greater housing opportunities and present to Planning Board and Housing and Community Development Committee for review and recommendations to City Council.

Lead Department: Planning and Urban Development **Status:** In Progress

Action Step / Comments	Planned Completion	Revised Completion	Actual Completion
1) Submit draft rewrite of B-2 zoning district to HCDC for review and support	3/26/2014		3/26/2014
2) Submit draft rewrite of R-6 and R-7 zoning districts to HCDC for review and support	4/9/2014		5/1/2014
3) Submit B-2 zoning changes to Planning Board and City Council for review	4/8/2014	6/16/2014	6/16/2014
Approved			
4) Submit R-6,7 zoning changes to Planning Board and City Council for review	9/1/2014	10/15/2014	10/15/2014
Conducting public outreach as needed over the summer, will delay submission date slightly			
5) Conduct public outreach to neighborhoods on R-6 and R-7 changes	10/1/2014		10/1/2014

Goals and Objectives

Action Plan

Goal: Develop a transportation system that advances healthy living, minimizes environmental impacts and promotes the local economy by advancing opportunities for mass transit, bicycle use and walking.

1) Complete scope of work and procurement for a consultant to begin planning for implementation of HUB-Link (Thompson Point/Ocean Gateway/PWA)

Lead Department: Planning and Urban Development **Status:** In Progress

Action Step / Comments	Planned Completion	Revised Completion	Actual Completion
1) Develop scope of work for overall project	5/30/2014		5/30/2104
Planning staff has been working with Economic Development and METRO to frame this scope. Coordination will have to take place with PACTS to ensure that their processes are followed as well.			
2) Develop workplan for portions of scope that can be done in-house	6/15/2014		5/30/2014
We had initially though the full project would have to be done by an outside consultant. We are now thinking that staff, working with METRO, can complete a significant portion of the work and leverage the funding accordingly			
3) Issue Request for Proposals for consultant services for balance of the work	7/15/2014		9/1/2014
RFP was approved and issued but there were no responses. RFP will be adjusted and reissued.			
4) Select consultant for project	9/1/2014	2/1/2015	
RFP will be reissued before consultant can be selected.			

2) Review and revise Parking Policies/Practices to support sustainable transportation and increased housing.

Lead Department: Planning and Urban Development **Status:** In Progress

Action Step / Comments	Planned Completion	Revised Completion	Actual Completion
1) Bring proposed changes to the Sustainable Transportation Fund to the Housing and Community Development Committee and related parking requirements for feedback	3/1/2014		2/26/2014
This is a precursor to bringing language forward to the Planning Board and full Council			
2) Submit proposed changes to the Sustainable Transportation Fund and related parking requirements to the Planning Board	7/7/2014	2/1/2015	
The changes are ready and have been scheduled for winter submission to the Planning Board. They have been delayed by the heavy Planning Board caseload.			
3) Submit proposed changes to Sustainable Transportation Fund and related parking changes to the City Council for approval	10/1/2014	3/1/2015	

Goals and Objectives

Action Plan

Goal: Develop a transportation system that advances healthy living, minimizes environmental impacts and promotes the local economy by advancing opportunities for mass transit, bicycle use and walking.

1) Implement Congress Street Bus Priority Plan.

Lead Department: Public Services **Status:** In Progress

Action Step / Comments	Planned Completion	Revised Completion	Actual Completion
1) Complete engineering and design for the Bus Corridor Study	11/22/2013		12/6/2013
Gorrill Palmer Engineers working with a business , municipal and transit stakeholder group completed the Congress St Bus Corridor Study			
2) Implement trial/demonstration effort of Study	6/17/2013	6/30/2014	6/30/2014
Installed temporary bump outs and modified bus stop signs, placed two traffic signals in flash modes as candidates for removal			
3) Prepare and Review trial results and submit report with findings and recommendations to the TSE Committee.	7/7/2014	8/20/2014	8/20/2014
Over the past few years, the Department has facilitated meetings with downtown business and METRO officials; a trial program was implemented last year to determine if any adjustments are needed to the treatment plans before permenant improvements are made. Funds are available from last years CIP to implement recommended improvements. Presentation to TSE will either be in July or August depending upon Committee Summer schedule			
4) Install permenant bus stop signage, bump outs and traffic markings for Corridor Study. Add new bus shelter by City Hall.	7/7/2014	6/30/2015	
Shift from temporary to permenant based on trial results; monitor results via survey, feedback from merchants and businesses and METRO Bus riders and employees. Resolved bus shelter location near City Hall, with Historic Preservation Committee. Continue to work through design issues and approvals from Historic Preservation and related impacts on decisions for placement of bus shelters near City Hall.			

Goals and Objectives

Action Plan

Goal: Develop a transportation system that advances healthy living, minimizes environmental impacts and promotes the local economy by advancing opportunities for mass transit, bicycle use and walking.

2) Write a memorandum of understanding with METRO that addresses street closures impacting transit routes and other areas of mutual interest.

Lead Department: Public Services **Status:** In Progress

Action Step / Comments	Planned Completion	Revised Completion	Actual Completion
1) Meet with Officials of METRO; discuss framework for MOU on street closures	4/30/2014		5/15/2014
Determine policy on who is involved with a decision to close a City street for any reason			
2) Present recommendations to the TSE Committee for comment, conduct further reviews and complete final draft in collaboration with other City staff, outside Departments and METRO officials.	4/16/2014	5/21/2014	5/21/2014
Presented framework to TSE on 5-21-14; anticipate completing MOU on 7-30-14; adopt by City Manager, send final document to TSE and City Council as a communication			
3) City Manager and METRO endorse final copy of the MOU; signitures are obtained from the City Manager and METRO General Manager	7/30/2014	12/15/2014	
Final document is endorsed and MOU implemented by the City Managers' office and other Departments involved with street closures including Public Services,Recreation and Facilities Management , Fire and Police. Current schedule moved out to meet other prirorities by METRO and the Department. Event planning staff continues to work closely with METRO officials on planning for impacts to transit routes if road closures are planned. Recent examples of this collaboration is the upcoming 2014 Light up the Holidays events and December First Friday Art Walk. Both provides for a special bus lane during the closure of Congress St for the event.			

Goals and Objectives

Action Plan

Goal: Develop a transportation system that advances healthy living, minimizes environmental impacts and promotes the local economy by advancing opportunities for mass transit, bicycle use and walking.

3) Implement improvements as provided in the Transforming Forest Avenue Plan subject to CIP funding approval.

Lead Department: Public Services **Status:** In Progress

Action Step / Comments	Planned Completion	Revised Completion	Actual Completion
1) Complete -endorse MDOT's Exit 6 Forest Avenue ramp improvements	4/30/2014	7/15/2014	7/15/2014
Project is managed by MDOT, Department staff from Public Services and Planning have been working with MDOT on design improvements to the exist ramps onto Forest Avenue trying to incorporate elements of the Transforming Forest Avenue report into final design. Features desired include adding bike and ped accomodations that safely integrate in with vehicle traffic design. Staff has offered several design options to MDOT..and heard recent design efforts by MDOT may closely match City desired outcomes. We learned recently that MDOT rejected the City's recommended treatments for bike ped access on Forest Avenue at Exit 6. We have requested a meeting with MDOT project managers to hear from MDOT officials why design option was rejected; our meeting request has been denied and we are in discussions about this project with the State Engineer.			
2) Hold design review meeting with MDOT project engineers	5/12/2014	6/30/2014	6/30/2014
To review latest design; Department staff has requested a briefing with MDOT project managers to determine basis for MDOT denying the City'recommended alternative design treatments for bike safety. We have requested we hold this review meeting before a public meeting is held. MDOT has indicated they tried to incorporate the City's recommended design in with the final plans, but impacts with stacking on the ramps and impacts to the interstate by Exit 6 appear to be to great. We have requested a meeting with MDOT officials to revisit why our recommended treatments cannot be used in final design.			
3) Schedule public meeting on Exit 6 and prepare for construction improvements	9/8/2014	10/14/2014	10/14/2014
Assuming City and MDOT project officials are in agreement over design, project to proceed with public meeting, and then construction phase. City staff came to general consensus on the final proposed MDOT plan. Improvements to bike and pedestrian accomodations near the off ramps for safety were included; public voiced some opposition to the design plans and MDOT and City staff to continue working together on resolving concerns before a final plan is set. We/Department staff is not in agreement with present design, and sought a design change to improve bike safety through the exit as it connects with Forest Avenue. MDOT feels they are in a position to proceed with scheduling a public hearing; MDOT project managers have asked assistance from Department staff in organizing the public meeting.			
4) Complete Redesgin of Woodford's Corner Project with MDOT and include features from Transforming Forest Ave, following public review process.	9/30/2014	10/30/2015	
Project design work has started, MDOT serving as project managers, HNTB selected for design work; Public Services staff serving on project team guiding project.Design exceptions being sought by Department staff to implement features of Transforming Forest Ave. MDOT Resisting design exceptions. To hold public review meetings as design unfolds to gain community and business endorsement. Held an on site meeting with senior officials of MDOT on June 10, 2014, who now appear ready now to endorse our proposed design exceptions for this intersection which includes wider sidewalks, narrow travel lanes, closing off slip lane off of Forest Avenue and Woodfords, and providing improved streetscape opportunities.			

Goals and Objectives

Action Plan

Goal: Develop a transportation system that advances healthy living, minimizes environmental impacts and promotes the local economy by advancing opportunities for mass transit, bicycle use and walking.

4) Complete design process of the selected alternative as determined by Franklin Street Phase II Study

Lead Department: Public Services **Status:** In Progress

Action Step / Comments	Planned Completion	Revised Completion	Actual Completion
1) Select Transportation Design Consultant to complete phase II Feasibility and preliminary design report	11/4/2013		11/14/2014
Selected IBI Group in fall of 2013 to conduct the feasibility report; implemented project schedule to include PAC meetings and public review process.			
2) Through out the year, conduct Public Meetings hold PAC meetings and working with the project review team (City/PACTS/MDOT officials) to gain consensus around preferred design alternative.	12/31/2014	2/27/2015	
June 24 PAC meeting cancelled as a result of additional traffic modeling analysis requested from MDOT ; project delays and scope change with IBI Group to reflect more traffic modeling work.			
3) Present design alternatives and recommended design to the Transportation, Sustainability and Energy Committee	8/20/2014	3/18/2015	
Take preferred alternative before the TSE Committee before advancing to City Council for final endorsement of project design. MDOT engineers have asked for additional traffic modeling and analysis before final recommendation can be made. Current modeling of the preferred alternatives are indicating excessive backups on the off ramps to Exit 7; MDOT has asked for additional modeling and evaluation of alternatives that can work at the intersection of Franklin, Marginal Way, Somerset and Fox Streets. Additional modeling will contribut to project delays and force the project to reallocate funding to modeling instead of preliminary design work for this key intersection.			
4) Present recommend design alternative to City Council for final endorsement	9/22/2014	4/6/2015	

Goals and Objectives

Action Plan

Goal: Advance an environmental program that safeguards our natural resources, promotes a healthy lifestyle and supports a sustainable economy.

1) Determine if an integrated permitting process for Clean Water Act (CWA) compliance is in the best interest of the City and, if so, begin implementation.

Lead Department: Public Services **Status:** In Progress

Action Step / Comments	Planned Completion	Revised Completion	Actual Completion
1) Schedule meeting with officials of DEP and EPA on scope of work for the Integrated Planning effort	3/24/2014	5/7/2014	6/6/2014
2) Prepare RFP for outside consulting services to assist staff with Planning effort	5/19/2014	12/15/2014	
The Department has made substantial progress toward completing major long term planning documents needed to meet individual CWA permits and EPA Orders. (LTCP-CSO's, MS4 Plans, CMOM-Sewer and starting CMOM -Storm Water); outside assistance is needed to now evaluate all of these plans to assess priorities and consider most cost effective strategies toward meeting CWA goals within these mandated plans. RFP to seek a more specific set of services, namely identifying all of milestone requirements from each permit, conduct modeling to learn which set of permit programs gets the City to CWA compliance in the most efficient manner.			
3) Apply for an EPA Technical Assistance Grant for support with Integrated Planning Process	6/27/2014	6/27/2014	6/27/2014
EPA recently announced that there is $350,000 nationally for 5 cities interested in pursuing Integrated Planning work for technical assistance. Assistance would be provided by a designated EPA consultant and would support one or two elements of the evaluation, such as modeling projected water quality benefit for each of the projects. The Department recently learned from EPA that the City was not among the 5 City's selected for the Grant.			
4) Determine if integrated planning of projects within CWA permits results in improved sequence of timing and or modifications of overall time lines for project implementation and development.	8/25/2014	6/30/2015	

Goals and Objectives

Action Plan

Goal: Advance an environmental program that safeguards our natural resources, promotes a healthy lifestyle and supports a sustainable economy.

2) Determine if the Storm Water Utility Fee is fair and feasible, and if so, begin implementation.

Lead Department: Public Services **Status:** In Progress

Action Step / Comments	Planned Completion	Revised Completion	Actual Completion
1) Presentation to Finance Committee in august, ordinance, credit manual and property impacts	8/7/2014	8/21/2014	
Revisit policy efforts for establishing a Storm Water Service Charge			
2) Additional information to the Finance Committee on the Fee; begin to initate the public information campaign on the fee.	9/4/2014	11/28/2014	
Based on the August meeting, respond to questions from the FC begin to prepare for Council actions.Continue public information campaign; agreed to hold 2 Public Meetings before the FC considers the proposal, October 9 and October 23; Public Workshop and possible vote by FC on Nov 13. Staff to also make brief presentations at all of the District Neighborhood meetings in November. Additional meetings with PDD, Chamber and MERDA are planned.			
3) Hold City Council Workshop-final approval	12/15/2014	1/19/2015	
Likely Workshop and additional Council communication before vote on ordinance and fee; projected meetings early December 2014. City Council projected to act on proposal at the Jan 19 City Council meeting			
4) Development of Billing System; Hire Billing Staff;hire engineering support staff	3/2/2015	3/2/2015	
In addition to hiring support staff, continued public education, and press information through a variety of methods, direct communications, social media, one on ones, about the new stormwater billing charge			
5) Prepare send out projected billings	5/4/2015	7/1/2015	
Property lookup feature on City website for property owners to view projected billings, consider how credits might apply			
6) Property owner billing reviews	6/1/2015	7/1/2015	
Opportunity for property owners to ask questions of staff, evaluate projected charges, make corrections as needed			
7) Hire Collections Staff	7/1/2015	7/1/2015	
This may be use of an outside vendor to support collections activity			
8) Actual Storm Water Billing begins	7/1/2015	1/1/2016	

Goals and Objectives

Action Plan

Goal: Operate the city government in an efficient and effective manner that is responsive to all segments of the community in a manner that is transparent and accountable.

1) Implement needed administrative reorganization, rules/procedures revisions and facilities assessment based on recommendations contained in the Fire Department Strategic Improvement Plan.

Lead Department: Fire Department **Status:** In Progress

Action Step / Comments	Planned Completion	Revised Completion	Actual Completion
1) Obtain Approval for reorganization plan from City Manager	1/1/2014		1/15/2014
2) Develop Budget for reorganization and implementation	3/1/2014		3/1/2014
3) Develop plan for promotional process	5/15/2014		5/15/2014
4) Conduct promotional process and make promotions	6/8/2014	12/15/2014	6/8/2014
The outcome of the promotional process for Captain & Lieutenant yielded to few candidates to fill all positions. A retest has been set for November 3rd. Completion of the re-test and promotional interviews will be completed by November 30 and promotions effective 12/15/14.			
5) Complete transition of personnel and conduct ripple promotions at lower levels	8/31/2014	12/31/2014	
In progress 10/28/14 - Final selection of Assistant Chief of Fire Prevention and Community Outreach to be completed by December 1st for implementation by December 31, 2014. New promptional list for lower ranks to be completed by 11/3/14.			
6) Instituted Emergency Medical Response Dispatch protocols.	1/31/2014		1/31/2014
Implemented but currently being monitored and amended as needed. Adjusted response levels to reduce apparatus responses Update - 10/28/14 Original response plan is being updated to include provisions for responding to low risk calls with out the use of lights & sirens.			
7) Implemented EMS internship with Field Training Officer.	3/1/2014		3/1/2014
Improved training to support amending response protocols (apparatus response reductions)			
8) Instituted response level adjustments for reduction of unit responses (less apparatus for each call for service)	3/15/2014		3/15/2014
Utilizing response data to reduce the amount of apparatus to achieve efficiencies			
9) Rules, Procedures, and Guidelines committee ongoing work to update departmental documents	12/31/2014	7/1/2015	
Currently working in collective bargining on items that are related to the CBA			
10) Submit budget request for professional preparation of facilities needs assessment.	2/1/2014		2/1/2014
Completed			
11) Implement facility assesment for one facility as funded in FY14	12/31/2014	6/30/2015	
Met with City Facilities Department to identify priorities and what items can be handled by City Staff. Development of plan to be completed by Jan. 1.			

Goals and Objectives

Action Plan

Goal: Operate the city government in an efficient and effective manner that is responsive to all segments of the community in a manner that is transparent and accountable.

2) Design and present for approval an updated Pay and Classification Plan for Non-union Employees.

Lead Department: Human Resources **Status:** Deferred

Action Step / Comments	Planned Completion	Revised Completion	Actual Completion
1) Complete RFP to hire Compensation Consultant	5/16/2014		
Project is on hold pending hiring of new Human Resources Director			
2) Solicit bids	6/20/2014		
3) Conduct Job Evaluation	10/30/2014		
4) Conduct Pay Analysis	12/31/2014		
5) Report to City Manager	2/6/2015		
6) Revisions after City manager review	3/6/2015		
7) Council approval	5/15/2015		
8) Implementation	7/1/2015		

3) Develop and implement qualitative assessment tools for permitting and inspections as carried out by multiple city departments to objectively demonstrate progress towards better coordination and timelier issuance of permits.

Lead Department: Executive **Status:** In Progress

Action Step / Comments	Planned Completion	Revised Completion	Actual Completion
1) Develop data collection and reporting capacity in Inspections to ascertain permitting times and patterns of disruption in the building permit process	2/1/2014		1/1/2014
Data collection is still subject to issues such as human error, how to handle lapses in permit review due to applicant unresponsiveness, etc.			
2) Produce quarterly reports of building permit times overall and for key permit types to benchmark progress	3/31/2014		3/31/2014
3) Improve on-line capability to communicate with Building Permit applicants	11/1/2014		11/1/2014
4) Produce materials to inform applicants of submission requirements and permits that may be required from other Departments as part of the Building Permit application process	9/1/2014		10/1/2014
5) Offer customer satisfaction survey to applicants after permits are received	10/1/2014		10/1/2014

Goals and Objectives

Action Plan

Goal: Operate the city government in an efficient and effective manner that is responsive to all segments of the community in a manner that is transparent and accountable.

4) Develop a city budget that, to the extent funds are available or necessary, advances the goals in this document and guiding principles including a 311 center, permitting improvements, customer service training and a new website.

Lead Department: Finance **Status:** Completed

Action Step / Comments	Planned Completion	Revised Completion	Actual Completion
1) Complete Finance Committee budget reviews	4/30/2014		5/8/2014
2) City Council budget approval	5/19/2014		5/19/2014
FY15 budget includes a number of items that further the Council's goal of improved city services, such as... Additional staffing for parks and open space use management with one full time Park Ranger and part time events staff; Addresses follow up and enforcement of various quailty of life issues and ordinances with a full time Ordinance Enforcement Officer, and restoration of a full time Community Justice Advocate as well as Associate Corp Counsel; Addition of Cashier Clerk and implementation of license plate issuance for new vehicles; Begin implementation of a centralized call center mid-year; Solid Waste efficiency study to evaluation trash and recycling functions; Increase in road striping funds; Consolidation of mangement of community gardens.			

5) Review and revise, if appropriate, the city's debt policy.

Lead Department: Finance **Status:** Not Started

Action Step / Comments	Planned Completion	Revised Completion	Actual Completion
1) Finance Committee review of current policy and discussion on desired changes	7/31/2014		
2) Draft any changes to policy, review with Financial Advisor, and return to Fin Comm	8/29/2014		
3) Fin Comm recommendation to Council on revised policy (if revised)	9/11/2014		
4) Council review of revised recommended policy (if revised)	10/20/2014		

6) Write a report that documents options available for property tax and rent rebates, and the financial impacts of those options.

Lead Department: Finance **Status:** Not Started

Action Step / Comments	Planned Completion	Revised Completion	Actual Completion
1) Legal recommendation on what is allowed by law for local option tax/rent rebates	7/31/2014		
2) Draft memo outlining legal option and financial impact to City for review by Finance Committee	9/11/2014		
3) Finance Committee review and recommendation of any Council action, if needed	10/9/2014		
4) Council review and approval of any recommended items, if needed	11/17/2014		

Goals and Objectives

Action Plan

Goal: Prevent and end homelessness in the City of Portland by continuing to implement the recommendations of the Homelessness Task Force.

1) The Portland Continuum of Care Committee (Portland CoC) will complete a planning/evaluation process of all HUD funded homeless programs and services.

Lead Department: Health and Human Services **Status:** In Progress

Action Step / Comments	Planned Completion	Revised Completion	Actual Completion
1) The Portland CoC will request and receive the planning/evaluation grant from HUD.	1/31/2014		1/31/2014
The Portland CoC was awarded a planning/evaluation grant for $17,788 in the 2013 competition. This grant started April 2014. MaineHousing received $37,170.			
2) Portland CoC, in collaboration with MaineHousing will establish a committee to develop a scope of work and methodology for the planning process	2/28/2014		6/15/2014
The Portland CoC and State of Maine CoC established a joint planning committee in June 2014 to create a monitoring and evaluation tool for all HUD and ESG funded programs, and to plan and design a coordinated homeless assessment system.			
3) Develop and release the RFP for the planning process.	3/31/2014		3/31/2014
Completed.			
4) Planning Committee will select the consultants to lead the process.	4/30/2014		4/30/2014
One vendor has expertise with federal best practices and one has local expertise. ABG Consulting was selected by the Portland CoC and the Technical Assistance Collaborative by the Maine CoC. The vendors began work in June and are collaborating on the project.			
5) Execute contracts with the vendors.	5/30/2014		5/30/2014
Completed.			
6) Complete the planning/evaluation process and report findings and recommendations to the full Portland CoC to be used in the next HUD CoC application (2015)	9/30/2014	12/1/2014	
7) Incorporate best practice findings into the CoC application.	12/31/2014	10/1/2015	
The application will be due in 2015.			

Goals and Objectives

Action Plan

Goal: Prevent and end homelessness in the City of Portland by continuing to implement the recommendations of the Homelessness Task Force.

2) Develop and implement a comprehensive approach to work with long-term shelter consumers (chronically homeless) on housing stability plans

Lead Department: Health and Human Services **Status:** In Progress

Action Step / Comments	Planned Completion	Revised Completion	Actual Completion
1) Develop a plan to begin intensively and purposefully focusing resources on the most chronic and vulnerable shelter consumers accessing services at the Oxford Street Shelter.	1/31/2014		1/31/2014
The plan was developed during the month of January, and the various components will be implemented during calendar year 2014. Revisions were completed and the Plan was updated at the May PSHHS meeting.			
2) Develop a comprehensive plan to work with long-term stayers at the Family Shelter, focusing on families with a length of stay greater than 30 days.	2/28/2014		2/28/2014
Completed - highest duration for long-term stayers at the Family Shelter decreased from 9 months to 4 months.			
3) The City will assume a leadership role with the 100,000 Homes Campaign.	11/29/2013		9/30/2014
Completed. Portland achieved the 2.5% Club which means that we are placing 2.5% of all chronically homeless into housing each month.			
4) Amend the Client Support and Services Policy at the Oxford Street Shelter to include a specific approach for consumers with monthly income.	5/30/2014		5/19/2014
Completed			
5) Identify the top 30 highest adult users of services at the Oxford Street Shelter as measured by bed nights.	2/28/2014		2/28/2014
Completed.			
6) Secure permanent housing for the top 30 highest adult users of services at the Oxford Street Shelter.	6/30/2014		6/30/2014
27 of the 30 top bed night users have been placed into permanent housing.			
7) Prioritize the next group of long-term stayers at the Oxford Street Shelter to work with on securing permanent housing.	7/31/2014		9/1/2014
A second group of 30 longest-term stayers were identified in September and 8 adults have secured permanent housing as of 10/10/14.			
8) Work with Preble Street and the Portland Housing Authority to place an additional 26 chronically homeless adults into permanent housing using PHA Sec. 8 Housing Vouchers when they become available.	4/1/2014		9/30/2014
This action step was impacted by Federal Sequestration when PHA was not permitted to issue/turn over any section 8 housing vouchers. PHA was able to begin issuing vouchers earlier this Spring and we are again working with Preble Street on the remaining 26 vouchers. UPDATE: 27 chronically homeless individuals have been placed into PHA Section 8 subsidized housing and are receiving follow-up services through the Preble Street PATH program.			

Goals and Objectives

Action Plan

Goal: Prevent and end homelessness in the City of Portland by continuing to implement the recommendations of the Homelessness Task Force.

3) During calendar year 2014 place 500 homeless individuals and 150 families into permanent housing.

Lead Department: Health and Human Services **Status:** In Progress

Action Step / Comments	Planned Completion	Revised Completion	Actual Completion
1) A request to add 2.0 Human Services Counselors at the Oxford Street Shelter and 1.0 Human Services Specialist for the Family Shelter will be requested as part of the FY 2015 budget process.	3/31/2014		3/31/2014
The positions were not included in the City Manager's proposed FY 2015 budget. Update: The Family Shelter received a grant from MaineHousing to fund 1 Human Services Specialist at the shelter 9/1/14.			
2) Create a new division of Housing and Support Services within Social Services to ensure housing placement efforts are not diminished by the day to day operational constraints of managing the City's emergency shelters (e.g. Oxford Street and Family Shelter.	3/31/2014		3/31/2014
Completed.			
3) Continue to actively participate in a leadership role with the 100,000 Homes Campaign.	12/31/2014		9/30/2014
Campaign ended 9/30/14.			
4) Work with the State (DHHS), Shalom House and MaineHousing to prioritize housing resources for individuals staying in the city's emergency shelters.	12/31/2014		
The Family Shelter and the Oxford Street Shelter meet with Shalom House, DHHS and MaineHousing monthly to prioritize housing subsidies for individuals who reside in the shelters and meet HUD criteria for prioritized housing placement. This goal is ongoing.			
5) Develop, release and award the Housing First Pre-Development request for proposals.	5/1/2014		5/1/2014
Awarding a second grant to another organization as well. A total of $75,000 was awarded for Housing First pre-development activities in May. Avesta Housing received $50,000 and Community Housing of Maine $25,000.			
6) Launch the City's Home Fund Tenant-Based Rental Assistance program (TBRA) and provide assistance to 75 households.	4/30/2014		3/1/2014
The TBRA was launched in April, but it will be several months before meet the goal of serving 75 households. The program began on 3/1/14 and 49 households, with 136 individuals, moved out of the shelter and into permanent housing (6-month period).			
7) Evaluate the Home Fund TBRA.	12/31/2014	11/30/2014	
Scheduled for November.			
8) Pursue additional Home Funds to continue the TBRA program in FY 2015.	5/30/2014		9/30/2014
The current TBRA program will need to be in place for a little while longer before determining if additional funds are appropriate based on outcome data. Update: An additional $135,314 was allocated for FY2015.			

Goals and Objectives

Action Plan

Goal: Prevent and end homelessness in the City of Portland by continuing to implement the recommendations of the Homelessness Task Force.

9)	Apply for additional MaineHousing Home to Stay resources for the Oxford Street and Family Shelters (CY 2015).	9/30/2014	12/1/2014	
	MaineHousingm extended the Home to Stay program through 12/31/14 (6 months) and allocated an additional $43,750 for the Family Shelter and $43,750 for Oxford Street. The program was originally funded 6/1/13-5/31/14.			
10)	Implement the next interation of the Client Support and Services Policy at the Oxford Street Shelter related to available resources.	5/30/2014		2/1/2014
	Completed			
11)	PROGRESS TOWARD HOUSING PLACEMENT GOALS:	12/31/2014		
	As of May 30, 2014, a total of 80 families have been placed in permanent housing from the Family Shelter. This represents 53% of the 150 families goal within 41% of the calendar year. As of May 30, 2014, a total of 156 single adults have been placed in housing from the Oxford Street Shelter. This represents 27% of the 500 adult placement goal within 41% of the calendar year. It is important to note, however, that the OSS began focusing on and prioritizing resources for the most long-term shelter stayers earlier this year. This has impacted the total number of housing placements, but has dramatically reduced the number of single adults presenting at the OSS each night - the average (n=211) number of men and women staying at the OSS each night in May was the lowest in several years. UPDATE: The Family Shelter secured permanent housing for 189 families in FY14 and Oxford Street Shelter assisted 496 single adults in securing housing. The Family Shelter has reduced the length of stay for the longest-term stayers from 9 to 4 months maximum and Oxford Street Shelter has gone from 1,300 bed nights to 885 bed nights for the second tier of 30 long-term stayers. Oxford Street Shelter averaged 247 individuals per night in January 2014 and the numbers have been reduced to 217 per night as through September 2014. This is a significant drop. These goals are ongoing.			

Goals and Objectives

Action Plan

Goal: Prevent and end homelessness in the City of Portland by continuing to implement the recommendations of the Homelessness Task Force.

4) Engage surrounding communities in collaborative efforts to address homelessness on a regional basis through referrals, affordable housing development and access to additional housing subsidies.

Lead Department: Health and Human Services **Status:** In Progress

Action Step / Comments	Planned Completion	Revised Completion	Actual Completion
1) Once Sequestration is resolved, schedule follow up meetings with the Westbrook and South Portland Housing Authorities regarding their commitment to set aside Sec. 8 housing vouchers for chronically homeless adults.	5/30/2014		10/1/2014
Westbrook and South Portland Housing Authorities both remain committed to set aside Section 8 housing vouchers for chronically homeless adults. Westbrook has recently committed 10 and South Portland 2-3.			
2) Schedule DHHS General Assistance (GA) training with surrounding communities regarding the state requirement that every community must provide after-hours GA emergency assistance for local residents.	6/30/2014		5/1/2014
DHHS GA conducted a workshop for municipalities in Southern Maine on after-hours GA responsibility.			
3) Whenever possible, continue to collaborate with surrounding communities on housing placements to maximize the availablity of affordable housing options in other communities.	12/31/2014		
Oxford Street and Family Shelters work collaboratively with surrounding communities on housing placement. Oxford Street data indicates that only 46% of housing placements for calendar year 2014 are in Portland and 67% of placements for families are in Portland. This goal is ongoing.			

Goals and Objectives

Action Plan

Goal: Prevent and end homelessness in the City of Portland by continuing to implement the recommendations of the Homelessness Task Force.

5) Develop a memorandum of understanding between the city and other homeless service providers that will clearly articulate roles and responsibilities of each entity to avoid duplication and maximize resources.

Lead Department: Health and Human Services **Status:** In Progress

Action Step / Comments	Planned Completion	Revised Completion	Actual Completion
1) Amend the City of Portland General Assistance Program Shelter Agreements with city emergency shelters to clearly articulate the shelter's role and responsibilities.	7/1/2014	12/31/2014	
This goal has been postponded pending the outcome of the DHHS GA audit.			
2) Enter into an electronic data sharing agreement for the Homeless Management Information System (HMIS) which will eliminate duplicate shelter intakes and result in improved efficiencies.	8/1/2014		4/1/2014
Oxford Street and Family Shelters have HMIS agreements with Preble Street-operated shelters. MaineHousing administers HMIS and is working with the City and Preble Street on incorporating electronic data sharing for all shelters in the Portland area.			
3) Develop a memorandum of understanding with providers regarding the new centralized assessment process which is being developed by the Portland CoC Planning Grant Committee.	8/1/2014	2/15/2015	
The centralized assessment and intake process will maximize resources. Update: The Portland and Maine CoC Planning Committee is still working on the centralized assessment process and will report back in December. A grant application was submitted to HUD on 10/30/14 requesting funding to hire a consultant to implement the centralized assessment and intake process.			
4) Through the Emeregency Shelter Assessment Committee (ESAC), a memorandum of understanding will be developed that clearly articulates the roles and responsibilities of the city's homeless service providers.	9/30/2014	2/15/2015	
Performance measures will be incorporated in the MOU's to the extent possible. The CoC Planning Committee is still working on performance measurement criteria.			

Goals and Objectives

Action Plan

Goal: Prevent and end homelessness in the City of Portland by continuing to implement the recommendations of the Homelessness Task Force.

6) Promote and encourage community outreach as an engagement approach to prevent and end homelessness.

Lead Department: Health and Human Services **Status:** In Progress

Action Step / Comments	Planned Completion	Revised Completion	Actual Completion
1) Develop a FY 2015 departmental budget which includes $75,000 in HOME Team funding.	3/7/2014		5/19/2014
The Council approved the City's FY 2015 budget on May 19, 2014 which included $75,000 in funding for the HOME Team ($50,000 in the City Manager's Budget and $25,000 in the Social Services Division Budget).			
2) Assist Milestone to secure additional funding for the HOME Team. This goal is now ongoing.	6/30/2014		
This goal is ongoing.			
3) Reconvene the Outreach Advisory Committee to ensure that the available outreach efforts are coordinated and maximized during the spring and summer months. Ongoing	5/30/2014		
The Milestone Foundation HOME Team, Preble Street and Oxford Street Shelter regularly coordinate community outreach in the spring, summer and fall. This goal is now ongoing.			
4) Develop an Extreme Weather Outreach Response plan.	6/30/2014		
Oxford Street and Preble Street staff collaborate to reach out during extreme weather. This goal is ongoing.I			

Goals and Objectives

Action Plan

Goal: Prevent and end homelessness in the City of Portland by continuing to implement the recommendations of the Homelessness Task Force.

7) Establish and maintain a reporting methodology to regularly update the City Council and the public on progress towards implementing the City's plan to prevent and end homelessness.

Lead Department: Health and Human Services **Status:** In Progress

Action Step / Comments	Planned Completion	Revised Completion	Actual Completion
1) The Public Safety, Health & Human Services Committee will receive quarterly updates on the progress of the City's Seven Point Plan to Prevent and End Homelessness. Formal updates have been presented to the committee quarterly. This goal is ongoing.	12/31/2014		
2) Update the City Manager's Neighborhood Advisory Committee on the progress of the City's Seven Point Plan to Prevent and End Homelessness. This goal is ongoing.	3/11/2014		3/11/2014
3) Develop housing placement matrices for the Oxford Street and Family Shelters which will include the previous year's actual utilization, projected monthly utilization, actual monthly utilization and a year-end average shelter census goal. Ongoing - do so monthly.	3/31/2014		
4) Post housing placement matrices for the Oxford Street and Family Shelters monthly on the HHS department's webpage. Ongoing - do so monthly.	4/1/2014		
5) Comprehensive housing placement data will be maintainned on a monthly basis and shared with City leadership, CoC, and ESAC, and posted on the HHS department's webpage. Ongoing - do so monthly.	12/31/2014		
6) Develop an Emergency Shelter Assessment Committee (ESAC) and Portland Continuum of Care (CoC) webpage on the City's new website which will contain meeting minutes, agenda and monthly shelter data for members of the public. Ongoing - do so monthly.	6/30/2014		

ENROLLED ORIGINAL

AN ACT

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To amend the Minimum Wage Act Revision Act of 1992 to increase the minimum wage in the District of Columbia to $11.50 an hour in 3 steps, to require the minimum wage during each successive year to increase in proportion to the increase in the Consumer Price Index, to require the Mayor to provide employers copies or summaries of the District's minimum wage law, and to require employers who employ tipped employees to certify on a quarterly basis that their employees earn a minimum wage.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Minimum Wage Amendment Act of 2013".

Sec. 2. The Minimum Wage Act Revision Act of 1992, effective March 25, 1993 (D.C. Law 9-248; D.C. Official Code § 32-1001 *et seq.*), is amended as follows:

(a) Section 4(a) (D.C. Official Code § 32-1003(a)) is amended by adding paragraphs (3), (4), (5), and (6) to read as follows:

"(3) Except as provided in subsection (h) of this section, as of July 1, 2014, the minimum wage required to be paid to any employee by any employer in the District of Columbia shall be $9.50 an hour, or the minimum wage set by the United States government pursuant to the Fair Labor Standards Act, plus $1, whichever is greater.

"(4) Except as provided in subsection (h) of this section, as of July 1, 2015, the minimum wage required to be paid to any employee by any employer in the District of Columbia shall be $10.50 an hour, or the minimum wage set by the United States government pursuant to the Fair Labor Standards Act, plus $1, whichever is greater.

"(5) Except as provided in subsection (h) of this section, as of July 1, 2016, the minimum wage required to be paid to any employee by any employer in the District of Columbia shall be $11.50 an hour, or the minimum wage set by the United States government pursuant to the Fair Labor Standards Act, plus $1, whichever is greater.

"(6)(1) Except as provided in subsection (h) of this section, beginning on July 1, 2017 and no later than July 1 of each successive year, the minimum wage provided in this subsection shall be increased in proportion to the annual average increase, if any, in the Consumer Price Index for All Urban Consumers in the Washington Metropolitan Statistical Area published by the Bureau of Labor Statistics of the United States Department of Labor for the previous calendar year. Any increase under this paragraph shall be adjusted to the nearest multiple of $.05.

"(2) The Mayor shall publish in the District of Columbia Register and make available to employers a bulletin announcing the adjusted minimum wage rate as provided in this paragraph. The bulletin shall be published at least 30 days before the annual minimum wage rate adjustment.".

(b) Section 10(b) (D.C. Official Code § 32-1009(b)) is amended by striking the phrase "on request".

(c) A new section 10a is added to read as follows:

"Sec. 10a. Notice requirements for tipped wages.

"(a) An employer who employs an employee who is paid in accordance with section 4(f) shall submit a quarterly wage report within 30 days of the end of each quarter to the Mayor certifying that the employee was paid the required minimum wage.

"(b)(1) The Mayor shall create an Internet-based portal for online reporting of the quarterly wage reports required by subsection (a) of this section.

"(2) An employer shall submit its quarterly wage reports online unless the employer claims that online reporting creates a hardship, in which case the employer shall submit its reports in hard-copy form.

"(3) The Mayor shall provide reporting requirements training to educate employers about the reporting requirements and use of the Internet-based portal.

"(c) The Mayor shall:

"(1) Perform random reporting audits after each quarterly report deadline to ensure compliance; and

"(2) Submit an annual report to the Secretary to the Council of the compliance data collected.".

(d) Section 11(2) (D.C. Official Code § 32-1010(2)) is amended as follows:

(1) Strike the phrase "sections 9 and 10" and insert the phrase "sections 9, 10, and 10a" in its place.

(2) Strike the phrase "section 9" and insert the phrase "sections 9 and 10a" in its place.

Sec. 3. Applicability.

Section 2(b)-(d) of this act shall apply upon the inclusion of its fiscal effect in an approved budget and financial plan, as certified by the Chief Financial Officer to the Budget Director of the Council in a certification published by the Council in the District of Columbia Register.

Sec. 4. Fiscal impact statement.

The Council adopts the fiscal impact statement in the committee report as the fiscal impact statement required by section 602(c)(3) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(3)).

Sec. 5. Effective date.

This act shall take effect following approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto), a 30-day period of Congressional review as provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of Columbia Register.

Chairman
Council of the District of Columbia

Mayor
District of Columbia

San Francisco Administrative Code

CHAPTER 12R: MINIMUM WAGE

CHAPTER 12R: MINIMUM WAGE

Sec. 12R.1.	Title.
Sec. 12R.2.	Authority.
Sec. 12R.3.	Definitions.
Sec. 12R.4.	Minimum Wage.
Sec. 12R.5.	Notice, Posting and Payroll Records.
Sec. 12R.6.	Retaliation Prohibited.
Sec. 12R.7.	Implementation and Enforcement.
Sec. 12R.8.	Waiver Through Collective Bargaining.
Sec. 12R.9.	Relationship to Other Requirements.
Sec. 12R.10.	Application of Minimum Wage to Welfare-to-Work Programs.
Sec. 12R.11.	Effective Date.
Sec. 12R.12.	Severability.
Sec. 12R.13.	Amendment by the Board of Supervisors.
Sec. 12R.14.	Civil Actions.
Sec. 12R.15.	Remedies Cumulative.
Sec. 12R.16.	Administrative Penalties and Citations.
Sec. 12R.17.	Violations.
Sec. 12R.18.	Administrative Citation; Notice of Violation.
Sec. 12R.19.	Administrative Citation and Notice of Violation; Service.
Sec. 12R.20.	Administrative Citation; Contents.
Sec. 12R.21.	Administrative Appeal.
Sec. 12R.22.	Regulations.
Sec. 12R.23.	Judicial Review.
Sec. 12R.24.	Other Remedies Not Affected.
Sec. 12R.25.	Outreach.
Sec. 12R.26.	Reports.

SEC. 12R.1. TITLE.

This Chapter shall be known as the "Minimum Wage Ordinance."

(Added by Proposition L, 11/4/2003)

SEC. 12R.2. AUTHORITY.

This Chapter is adopted pursuant to the powers vested in the City and County of San Francisco ("the City") under the laws and Constitution of the State of California and the City Charter including, but not limited to, the police powers vested in the City pursuant to Article XI, Section 7 of the California Constitution and Section 1205(b) of the California Labor Law.

(Added by Proposition L, 11/4/2003)

SEC. 12R.3. DEFINITIONS.

As used in this Chapter, the following capitalized terms shall have the following meanings:

"Agency" shall mean the Living Wage/Living Health Division of the Office of Contract Administration or such other City department or agency as the City shall by resolution designate.

"City" shall mean the City and County of San Francisco.

"Employee" shall mean any person who:

(a) In a particular week performs at least two (2) hours of work for an Employer within the geographic boundaries of the City; and

(b) Qualifies as an employee entitled to payment of a minimum wage from any employer under the California minimum wage law, as provided under Section 1197 of the California Labor Code and wage orders published by the California Industrial Welfare Commission, or is a participant in a Welfare-to-Work Program.

"Employer" shall mean any person, as defined in Section 18 of the California Labor Code, including corporate officers or executives, who directly or indirectly or through an agent any other person, including through the services of a temporary services or staffing agency or similar entity, employs or exercises control over the wages, hours or working conditions of any Employee.

"Minimum Wage" shall have the meaning set forth in Section [12R.]4 of this Chapter.

"Small Business" shall mean an Employer for which fewer than ten (10) persons perform work for compensation during a given week. In determining the number of persons performing work for an Employer during a given week, all persons performing work for compensation on a full-time, part-time, or temporary basis shall be counted, including persons made available to work through the services of a temporary services or staffing agency or similar entity.

"Nonprofit Corporation" shall mean a nonprofit corporation, duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation and (if a foreign corporation) in good standing under the laws of the State of California, which corporation has established and maintains valid nonprofit status under Section 501(c)(3) of the United States Internal Revenue Code of 1986, as amended, and all rules and regulations promulgated under such Section.

"Welfare-to-Work Program" shall mean the City's CalWORKS Program, County Adult Assistance Program (CAAP) which includes the Personal Assisted Employment Services (PAES) Program, and General Assistance Program, and any successor programs that are substantially similar to them.

(Added by Proposition L, 11/4/2003)

SEC. 12R.4. MINIMUM WAGE.

(a) Employers shall pay Employees no less than the Minimum Wage for each hour worked within the geographic boundaries of the City.

(b) Beginning on the effective date of this Chapter, the Minimum Wage shall be an hourly rate of $8.50. To prevent inflation from eroding its value, beginning on January 1, 2005, and each year thereafter, the Minimum Wage shall increase by an amount corresponding to the prior year's increase, if any, in the Consumer Price Index for urban wage earners and clerical workers for the San Francisco-Oakland-San Jose, CA metropolitan statistical area.

(c) The Minimum Wage for Employers that are Small Businesses or Nonprofit Corporations shall phase in over a two year period in order to afford such Employers time to adjust. For such Employers, the effective date of this Chapter shall be January 1, 2005. For a transition period beginning January 1, 2005 and ending December 31, 2005, the Minimum Wage for Employees of such Employers shall be an hourly rate of $7.75. Beginning January 1, 2006,

the Minimum Wage for Employees of such Employers shall be the regular Minimum Wage established pursuant to Section 4(b)1 of this Chapter.
(Added by Proposition L, 11/4/2003)
CODIFICATION NOTE
1. Reference should be to Sec. 12R.4(b).

SEC. 12R.5. NOTICE, POSTING AND PAYROLL RECORDS.

(a) By December 1 of each year, the Agency shall publish and make available to Employers a bulletin announcing the adjusted Minimum Wage rate for the upcoming year, which shall take effect on January 1. In conjunction with this bulletin, the Agency shall by December 1 of each year publish and make available to Employers, in all languages spoken by more than five percent of the San Francisco work force, a notice suitable for posting by Employers in the workplace informing Employees of the current Minimum Wage rate and of their rights under this Chapter.

(b) Every Employer shall post in a conspicuous place at any workplace or job site where any Employee works the notice published each year by the Agency informing Employees of t he current Minimum Wage rate and of their rights under this Chapter. Every Employer shall post such notices in English, Spanish, Chinese and any other language spoken by at least five percent of the Employees at the workplace or job site. Every Employer shall also provide each Employee at the time of hire the Employer's name, address and telephone number in writing.

(c) Employers shall retain payroll records pertaining to Employees for a period of four years, and shall allow the Agency access to such records, with appropriate notice and during business hours, to monitor compliance with the requirements of this Chapter. Where an Employer does not maintain or retain adequate records documenting wages paid or does not allow the Agency reasonable access to such records, it shall be presumed that the Employer paid no more than the applicable federal or state minimum wage, absent clear and convincing evidence otherwise.

(d) The Director of the Agency or his or her designee shall have access to all places of labor subject to this ordinance during business hours to inspect books and records, interview employees and investigate such matters necessary or appropriate to determine whether an Employer has violated any provisions of this ordinance.

(e) The Agency shall be authorized under Section 12R.7 to develop guidelines or rules to govern Agency investigative activities, including but not limited to legal action to be taken in the event of employer noncompliance or interference with Agency investigative actions.
(Added by Proposition L, 11/4/2003; amended by Ord. 175-11, File No. 110594, App. 9/16/2011, Eff. 10/16/2011)

SEC. 12R.6. RETALIATION PROHIBITED.

It shall be unlawful for an Employer or any other party to discriminate in any manner or take adverse action against any person in retaliation for exercising rights protected under this Chapter. Rights protected under this Chapter include, but are not limited to: the right to file a complaint or inform any person about any party's alleged noncompliance with this Chapter; and the right to inform any person of his or her potential rights under this Chapter and to assist him or her in asserting such rights. Protections of this Chapter shall apply to any person who mistakenly, but in good faith, alleges noncompliance with this Chapter. Taking adverse action against a person within ninety (90) days of the person's exercise of rights protected under this Chapter shall raise a rebuttable presumption of having done so in retaliation for the exercise of such rights.
(Added by Proposition L, 11/4/2003)

SEC. 12R.7. IMPLEMENTATION AND ENFORCEMENT.

(a) **Implementation.** The Agency shall be authorized to coordinate implementation and enforcement of this Chapter and may promulgate appropriate guidelines or rules for such purposes consistent with this Chapter. Any guidelines or rules promulgated by the Agency shall have the force and effect of law and may be relied on by Employers, Employees and other parties to determine their rights and responsibilities under this Chapter. Any guidelines or rules may establish procedures for ensuring fair, efficient and cost-effective implementation of this Chapter, including supplementary procedures for helping to inform Employees of their rights under this Chapter, for monitoring Employer compliance with this Chapter, and for providing administrative hearings to determine whether an Employer or other person has violated the requirements of this Chapter. The Agency shall make every effort to resolve complaints in a timely manner and shall have a policy that the Agency shall take no more than one year to settle, request an administrative hearing under Section 12R.7(b), or initiate a civil action under Section 12R.7(c). The failure of the Agency to meet these timelines within one year shall not be grounds for closure or dismissal of the complaint.

(b) **Administrative Enforcement.** The Agency is authorized to take appropriate steps to enforce this Chapter. The Agency may investigate any possible violations of this Chapter by an Employer or other person. Where the Agency has reason to believe that a violation has occurred, it may order any appropriate temporary or interim relief to mitigate the violation or maintain the status quo pending completion of a full investigation or hearing. Where the Agency, after a hearing that affords a suspected violator due process, determines that a violation has occurred, it may order any appropriate relief including, but not limited to, reinstatement, the payment of any back wages unlawfully withheld, and the payment of an additional sum as an administrative penalty in the amount of $50 to each Employee or person whose rights under this Chapter were violated for each day that the violation occurred or continued. A violation for unlawfully withholding wages shall be deemed to continue from the date immediately following the date that the wages were due and payable as provided in Part 1 (commencing with Section 200) of Division 2 of the California Labor Code, to the date immediately preceding the date the wages are paid in full. Where prompt compliance is not forthcoming, the Agency may take any appropriate enforcement action to secure compliance, including initiating a civil action pursuant to Section 7(c)1 of this Chapter and/or, except where prohibited by state or federal law, requesting that City agencies or departments revoke or suspend any registration certificates, permits or licenses held or requested by the Employer or person until such time as the violation is remedied. In order to compensate the City for the costs of investigating and remedying the violation, the Agency may also order the violating Employer or person to pay to the City a sum of not more than $50 for each day and for each Employee or person as to whom the violation occurred or continued. Such funds shall be allocated to the Agency and shall be used to offset the costs of implementing and enforcing this Chapter. The amounts of all sums and payments authorized or required under this Chapter shall be updated annually for inflation, beginning January 1, 2005, using the inflation rate and procedures set forth in Section 4(b)2 of this Chapter. An Employee or other person may report to the Agency in writing any suspected violation of this Chapter. The Agency shall encourage reporting pursuant to this subsection by keeping confidential, to the maximum extent permitted by applicable laws, the name and other identifying information of the Employee or person reporting the violation. Provided, however, that with the authorization of such person, the Agency may disclose his or her name and identifying information as necessary to enforce this Chapter or for other appropriate purposes. In order to further encourage reporting by Employees, if the Agency notifies an Employer that the Agency is investigating a complaint, the Agency shall require the Employer to post or otherwise notify its Employees that the Agency is conducting an investigation, using a form provided by the Agency.

(c) **Civil Enforcement.** The Agency, the City Attorney, any person aggrieved by a violation of this Chapter, any entity a member of which is aggrieved by a violation of this Chapter, or any other person or entity acting on behalf of the public as provided for under applicable state law, may bring a civil action in a court of competent jurisdiction against the Employer or other person violating this Chapter and, upon prevailing, shall be entitled to such legal or equitable relief as may be appropriate to remedy the violation including, without limitation, the payment of any back wages unlawfully withheld, the payment of an additional sum as liquidated damages in the amount of $50 to each Employee or person whose rights under this Chapter were violated for each day that the violation occurred or continued, reinstatement in employment and/or injunctive relief, and shall be awarded reasonable attorneys' fees and costs. Provided, however, that any person or entity enforcing this Chapter on behalf of the public as provided for under applicable state law shall, upon prevailing, be entitled only to equitable, injunctive or restitutionary relief, and reasonable attorneys' fees and costs. Nothing in this Chapter shall be interpreted as restricting, precluding, or otherwise limiting a separate or concurrent criminal prosecution under the Municipal Code or state law. Jeopardy shall not attach as a result of any administrative or civil enforcement action taken pursuant to this Chapter.

(d) **Interest.** In any administrative or civil action brought for the nonpayment of wages under this Section, the Agency or court, as the case may be, shall award interest on all due and unpaid wages at the rate of interest specified in subdivision (b) of Section 3289 of the California Civil Code, which shall accrue from the date that the wages were due and payable as provided in Part 1 (commencing with Section 200) of Division 2 of the California Labor Code, to the date the wages are paid in full.

(e) **Posting Notice of Violation.** If an Employer fails to comply with a settlement agreement with the Agency, a final determination by the Agency after an administrative hearing officer issues a decision after a hearing under Section 12R.7(b), an administrative citation issues under Section 12R.19, a decision made in an administrative appeal brought under Section 12R.21, or judgment issued by the Superior Court, and the Employer has not filed an appeal from the administrative hearing decision, administrative citation, administrative appeal decision, or judgment, or the appeal is final, the Agency may require the Employer to post public notice of the Employer's failure to comply in a form determined by the Agency.

(Added by Proposition L, 11/4/2003; amended by Ord. 205-06, File No. 060247, App. 7/25/2006; Ord. 175-11, File No. 110594, App. 9/16/2011, Eff. 10/16/2011)

CODIFICATION NOTES

1. So in Ord. 205-06 and previously; reference should be to Sec. 12R.7(c).
2. So in Ord. 205-06 and previously; reference should be to Sec. 12R.4(b).

SEC. 12R.8. WAIVER THROUGH COLLECTIVE BARGAINING.

All or any portion of the applicable requirements of this Chapter shall not apply to Employees covered by a bona fide collective bargaining agreement to the extent that such requirements are expressly waived in the collective bargaining agreement in clear and unambiguous terms.

(Added by Proposition L, 11/4/2003)

SEC. 12R.9. RELATIONSHIP TO OTHER REQUIREMENTS.

This Chapter provides for payment of a minimum wage and shall not be construed to preempt or otherwise limit or affect the applicability of any other law, regulation, requirement, policy or standard that provides for payment of higher or supplemental wages or benefits, or that extends other protections including, but not limited to, the San Francisco Minimum Compensation Ordinance.

(Added by Proposition L, 11/4/2003)

SEC. 12R.10. APPLICATION OF MINIMUM WAGE TO WELFARE-TO-WORK PROGRAMS.

The Minimum Wage established pursuant to Section 4(b)1 of this Chapter shall apply to the City's Welfare-to-Work Programs under which persons must perform work in exchange for receipt of benefits. Participants in Welfare-to-Work Programs shall not, during a given benefits period, be required to work more than a number of hours equal to the value of all cash benefits

received during that period, divided by the Minimum Wage. Where state or federal law would preclude the City from reducing the number of work hours required under a given Welfare-to-Work Program, the City may comply with this Section by increasing the cash benefits awarded so that their value is no less than the product of the Minimum Wage multiplied by the number of work hours required.
(Added by Proposition L, 11/4/2003)
CODIFICATION NOTE
1. Reference should be to Sec. 12R.4(b).

SEC. 12R.11. EFFECTIVE DATE.

This Chapter shall become effective ninety (90) days after it is adopted. This Chapter is intended to have prospective effect only.
(Added by Proposition L, 11/4/2003)

SEC. 12R.12. SEVERABILITY.

If any part or provision of this Chapter, or the application of this Chapter to any person or circumstance, is held invalid, the remainder of this Chapter, including the application of such part or provisions to other persons or circumstances, shall not be affected by such a holding and shall continue in full force and effect. To this end, the provisions of this Chapter are severable.
(Added by Proposition L, 11/4/2003)

SEC. 12R.13. AMENDMENT BY THE BOARD OF SUPERVISORS.

This Chapter may be amended by the Board of Supervisors as regards the implementation or enforcement thereof, but not as regards the substantive requirements of the Chapter or its scope of coverage.
(Added by Proposition L, 11/4/2003)

SEC. 12R.14. CIVIL ACTIONS.

In addition to the actions provided for in Section 12R.7(c), the City Attorney may bring a civil action to enjoin any violation of this Chapter. The City shall be entitled to its attorney's fees and costs in any action brought pursuant to this Section where the City is the prevailing party.
(Added by Ord. 205-06, File No. 060247, App. 7/25/2006)

SEC. 12R.15. REMEDIES CUMULATIVE.

The remedies, penalties and procedures provided under this Chapter are cumulative and are not intended to be exclusive of any other available remedies, penalties and procedures.
(Added by Ord. 205-06, File No. 060247, App. 7/25/2006)

SEC. 12R.16. ADMINISTRATIVE PENALTIES AND CITATIONS.

(a) **Administrative Penalties; Citations.** An administrative penalty may be assessed for a violation of the provisions of this Chapter as specified below. The penalty may be assessed by means of an administrative citation issued by the Director of the Office of Labor Standards Enforcement.

(b) **Administrative Penalty Amounts.** In addition to all other civil penalties provided for by law, the following violations shall be subject to administrative penalties in the amounts set forth below:

VIOLATION	PENALTY AMOUNT
Failure to maintain payroll records or to retain payroll records for four years – Administrative Code Section 12R.5(c)	$500.00

Failure to allow the Office of Labor Standards Enforcement to inspect payroll records – Administrative Code Section 12R.5(c)	$500.00
Retaliation for exercising rights under Minimum Wage Ordinance – Administrative Code Section 12R.6 The Penalty for retaliation is $1,000.00 per employee.	$1,000.00
Failure to Post notice of Minimum Wage rate – Administrative Code Section 12R.5(b) Failure to provide notice of investigation to employees – Administrative Code Section 12R.7(b) Failure to post notice of violation to public – Administrative Code Section 12R.7(e) Failure to provide employer's name, address, and telephone number in writing – Administrative Code Section 12R.5(b)	$500.00

The penalty amounts shall be increased cumulatively by fifty percent (50%) for each subsequent violation of the same provision by the same employer or person within a three (3) year period. The maximum penalty amount that may be imposed by administrative citation in a calendar year for each type of violation listed above shall be $5,000 or $10,000 if a citation for retaliation is issued. In addition to the penalty amounts listed above, the Office of Labor Standards Enforcement may assess enforcement costs to cover the reasonable costs incurred in enforcing the administrative penalty, including reasonable attorneys' fees. Enforcement costs shall not count toward the $5,000 annual maximum.

(Added by Ord. 205-06, File No. 060247, App. 7/25/2006; amended by Ord. 175-11, File No. 110594, App. 9/16/2011, Eff. 10/16/2011)

SEC. 12R.17. VIOLATIONS.

(a) **Separate and Continuing Violations; Penalties Paid Do Not Cure Violations.** Each and every day that a violation exists constitutes a separate and distinct offense. Each section violated constitutes a separate violation for any day at issue. If the person or persons responsible for a violation fail to correct the violation within the time period specified on the citation and required under Section 12R.18, the Director of the Office of Labor Standards Enforcement may issue subsequent administrative citations for the uncorrected violation(s) without issuing a new notice as provided in Section 12R.18(b). Payment of the penalty shall not excuse the failure to correct the violation nor shall it bar any further enforcement action by the City. If penalties and costs are the subject of administrative appeal or judicial review, then the accrual of such penalties and costs shall be stayed until the determination of such appeal or review is final.

(b) **Payments to City; Due Date; Late Payment Penalty.** All penalties assessed under Section 12R.16 shall be payable to the City and County of San Francisco. Administrative penalties and costs assessed by means of an administrative citation shall be due within thirty (30) days from the date of the citation. The failure of any person to pay an administrative penalty and costs within that time shall result in the assessment of an additional late fee. The amount of the late fee shall be ten (10) percent of the total amount of the administrative penalty assessed for each month the penalty and any already accrued late payment penalty remains unpaid.

(c) **Collection of Penalties; Special Assessments.** The failure of any person to pay a penalty assessed by administrative citation under Section 12R.16 within the time specified on the citation constitutes a debt to the City. The City may file a civil action, create and impose liens as set forth below, or pursue any other legal remedy to collect such money.

(d) **Liens.** The City may create and impose liens against any property owned or operated by a person who fails to pay a penalty assessed by administrative citation. The procedures provided for in Chapter 10, Article XX of the Administrative Code shall govern the imposition and collection of such liens.

(e) **Payment to City.** The Labor Standards Enforcement Officer has the authority to require that payment of back wages found to be due and owing to employees be paid directly to the City and County of San Francisco for disbursement to the employees. The Controller shall hold the back wages in escrow for workers whom the Labor Standards Enforcement Officer, despite his/her best efforts, including any required public notice, cannot locate; funds so held for three years or more shall be dedicated to the enforcement of the Minimum Wage Ordinance or other laws enforced by the Office of Labor Standards Enforcement.

(Added by Ord. 205-06, File No. 060247, App. 7/25/2006; amended by Ord. 175-11, File No. 110594, App. 9/16/2011, Eff. 10/16/2011; Ord. 75-14, File No. 140226, App. 5/28/2014, Eff. 6/27/2014)

SEC. 12R.18. ADMINISTRATIVE CITATION; NOTICE OF VIOLATION.

(a) **Issuance of Citation.** The Director has the authority to issue an administrative citation for any violation of this Chapter that is identified in Section 12R.16(b). The administrative citation shall be issued on a form prescribed by the Office of Labor Standards Enforcement.

(b) **Notice and Opportunity to Cure.** In order to facilitate compliance, the Director of the Office of Labor Standards Enforcement ("Director") or his or her designee may notify any person in violation of the Code provisions identified in Section 12R.16(b) of such violation prior to the issuance of an administrative citation. Regardless of the manner of service of the notice under Section 12R.19, the Director or his or her designee may post the notice of violation by affixing the notice to a surface in a conspicuous place on property that is (1) the person's principal place of business in the City, or (2) if the person's principal place of business is outside the City, the fixed location within the City from or at which the person conducts business in the City, or (3) if the person does not regularly conduct business from a fixed location in the City, one of the following: (i) the location where the person maintains payroll records if the notice of violation is for violation of Section 12R.5(c), or (ii) the jobsite or other primary location where the person's employees perform services in the City at the time the notice is posted. The notice of violation shall specify the action required to correct or otherwise remedy the violation(s). At the discretion of the Director or his or her designee, the person or persons responsible for the violation may be allowed ten (10) days from the date of the notice of violation to establish that no violation occurred or such person or persons are not responsible for the violation, or correct or otherwise remedy the violation; provided, however, that the Director may, in his or her discretion, assign a longer period, not to exceed twenty-one (21) days, within which to correct or otherwise remedy each violation, or establish that no violation occurred or such person or persons are not responsible for the violation. The Director may consider the cost of correction and the time needed to obtain information, documents, data and records for correction in assigning a specific period of time within which to correct or otherwise remedy each violation, or obtain and submit evidence that no violation occurred or such person or persons are not responsible for the violation.

(Added by Ord. 205-06, File No. 060247, App. 7/25/2006; amended by Ord. 175-11, File No. 110594, App. 9/16/2011, Eff. 10/16/2011)

SEC. 12R.19. ADMINISTRATIVE CITATION AND NOTICE OF VIOLATION; SERVICE.

Service of a notice of violation and an administrative citation under Section 12R.16 may be accomplished as follows:

(a) The Director or his or her designee may obtain the signature of the person responsible for the violation to establish personal service of the citation; or

(b) (1) Director or his or her designee shall post the citation by affixing the citation to a surface in a conspicuous place on the property described in Section 12R.18. Conspicuous posting of the citation is not required when personal service is accomplished or when conspicuous posting poses a hardship, risk to personal health or safety or is excessively expensive; and

(2) The Director or his or her designee shall serve the citation by first class mail as follows:

(i) The administrative citation shall be mailed to the person responsible for the violation by first class mail, postage prepaid, with a declaration of service under penalty of perjury; and

(ii) A declaration of service shall be made by the person mailing the administrative citation showing the date and manner of service by mail and reciting the name and address of the person to whom the citation is issued; and

(iii) Service of the administrative citation by mail in the manner described above shall be effective on the date of mailing.

(Added by Ord. 205-06, File No. 060247, App. 7/25/2006)

SEC. 12R.20. ADMINISTRATIVE CITATION; CONTENTS.

The administrative citation under Section 12R.16 shall include all the following:

(1) A description of the violation;

(2) The date and location of the violation(s) observed;

(3) A citation to the provisions of law violated;

(4) A description of corrective action required;

(5) A statement explaining that each day of a continuing violation may constitute a new and separate violation;

(6) The amount of administrative penalty imposed for the violation(s);

(7) A statement informing the violator that the fine shall be paid to the City and County of San Francisco within thirty (30) days from the date on the administrative citation, the procedure for payment, and the consequences of failure to pay;

(8) A description of the process for appealing the citation, including the deadline for filing such an appeal; and

(9) The name and signature of the Director.

(Added by Ord. 205-06, File No. 060247, App. 7/25/2006)

SEC. 12R.21. ADMINISTRATIVE APPEAL.

(a) **Period of Limitation for Appeal.** Persons receiving an administrative citation may appeal it within fifteen (15) days from the date the citation is served. The appeal must be in writing and must indicate a return address. It must be accompanied by the penalty amount, specifying the basis for the appeal in detail, and must be filed with both the Office of Labor Standards Enforcement and the Controller's Office as indicated in the administrative citation.

(b) **Hearing Date.** As soon as practicable after receiving the written notice of appeal and the penalty amount, the Controller or his or her designee shall promptly select a hearing officer (who shall not be an employed in the Office of Labor Standards Enforcement) to hear and decide the administrative appeal. The hearing officer shall fix a date, time and place for the hearing on the appeal. Written notice of the time and place for the hearing may be served by first class mail, at the return address indicated on the written appeal. Service of the notice must be made at least ten (10) days prior to the date of the hearing to the person appealing the citation. The hearing shall be held no later than thirty (30) days after service of the notice of hearing, unless that time is extended by mutual agreement of the parties.

(c) **Notice.** Except as otherwise provided by law, the failure of any person with an interest in property affected by the administrative citation, or other person responsible for a violation, to receive a properly addressed notice of the hearing shall not affect the validity of any proceedings under this Chapter. Service by first class mail, postage prepaid, shall be effective on the date of mailing.

(d) **Failure to Appeal.** Failure of any person to file an appeal in accordance with the provisions of this Section or to appear at the hearing shall constitute a failure to exhaust administrative remedies and a forfeiture of the penalty amount previously remitted.

(e) **Submittals for the Hearing.** No later than five (5) days prior to the hearing, the person to whom the citation was issued and the Office of Labor Standards Enforcement shall submit to the hearing officer, with simultaneous service on the opposing party, written information including, but not limited to, the following: the statement of issues to be determined by the hearing officer and a statement of the evidence to be offered and the witnesses to be presented at the hearing.

(f) **Conduct of Hearing.** The hearing officer appointed by the Controller or the Controller's designee shall conduct all appeal hearings under this Chapter. The Office of Labor Standards Enforcement shall have the burden of proof in such hearings. The hearing officer may accept evidence on which persons would commonly rely in the conduct of their serious business affairs, including but not limited to the following:

(1) A valid citation shall be prima facie evidence of the violation;

(2) The hearing officer may accept testimony by declaration under penalty of perjury relating to the violation and the appropriate means of correcting the violation;

(3) The person responsible for the violation, or any other interested person, may present testimony or evidence concerning the violation and the means and time frame for correction.

The hearing shall be open to the public and shall be tape-recorded. Any party to the hearing may, at his or her own expense, cause the hearing to be recorded and transcribed by a certified court reporter. The hearing officer may continue the hearing and request additional information from the Office of Labor Standards Enforcement or the appellant prior to issuing a written decision.

(g) **Hearing Officer's Decision; Findings.** The hearing officer shall make findings based an the record of the hearing and issue a decision based on such findings within fifteen (15) days of conclusion of the hearing. The hearing officer's decision may uphold the issuance of a citation and penalties stated therein, may dismiss a citation, or may uphold the issuance of the citation but reduce, waive or conditionally reduce or waive the penalties stated in a citation or any late fees assessed if mitigating circumstances are shown and the hearing of officer finds specific grounds for reduction or waiver in the evidence presented at the hearing. The hearing officer may impose conditions and deadlines for the correction of violations or the payment of outstanding civil penalties. Copies of the findings and decision shall be served upon the appellant and the Office of Labor Standards Enforcement by certified mail.

(h) **Hearing Officer's Decision.** The decision of the hearing officer is final. If the hearing officer concludes that the violation charged in the citation did not occur or that the person charged in the citation was not the responsible party, the Office of Labor Standards Enforcement shall refund or cause to be refunded the penalty amount to the person who deposited such amount. The hearing officer's decision shall be served on the appellant by certified mail.

(Added by Ord. 205-06, File No. 060247, App. 7/25/2006)

SEC. 12R.22. REGULATIONS.

The Office of Labor Standards Enforcement may promulgate and enforce rules and regulations, and issue determinations and interpretations relating to the administrative penalty and citation system pursuant to Sections 12R.16 through 12R.20, inclusive. The Controller may promulgate and enforce rules and regulations, and issue determinations and interpretations relating to the conduct of administrative appeals under Section 12R.21. Any rules and regulations promulgated by the Office of Labor Standards Enforcement or Controller shall be approved as to legal form by the City Attorney, and shall be subject to not less than one noticed public hearing. The rules

and regulations shall become effective 30 days after receipt by the Clerk of the Board of Supervisors, unless the Board of Supervisors by resolution disapproves or modifies the regulations. The Board of Supervisors' determination to modify or disapprove a rule or regulation submitted by the Office of Labor Standards Enforcement or Controller shall not impair the ability of the Office of Labor Standards Enforcement or Controller to resubmit the same or similar rule or regulation directly to the Board of Supervisors if the Office of Labor Standards Enforcement or Controller determines it is necessary to effectuate the purposes of this Chapter.
(Added by Ord. 205-06, File No. 060247, App. 7/25/2006)

SEC. 12R.23. JUDICIAL REVIEW.

(a) **Procedures.** After receipt of the decision of the hearing officer under Section 12R.21, the appellant may file an appeal with the superior court pursuant to California Government Code Section 53069.4. The appeal shall be submitted within twenty (20) days of the date of mailing of the hearing officer's decision, with the applicable filing fee. The appeal shall state the reasons the appellant objects to the findings or decision.

(b) **Review.** The superior court shall conduct a de novo hearing, except that the contents of the Office of Labor Standards Enforcement's file (excluding attorney client communications and other privileged or confidential documents and materials that are not discoverable or may be excluded from evidence in judicial proceedings under the Evidence Code, Civil Code, Code of Civil Procedure or other applicable law) shall be received into evidence. A copy of the notice of violation and imposition of penalty shall be entered as prima facie evidence of the facts stated therein.

(c) **Filing Fee.** The superior court filing fee shall be twenty-five ($25.00). If the court finds in favor of the appellant, the amount of the fee shall be reimbursed to the appellant by the City and County of San Francisco. Any deposit of penalty shall be refunded by the City and County of San Francisco in accordance with the judgment of the court.
(Added by Ord. 205-06, File No. 060247, App. 7/25/2006)

SEC. 12R.24. OTHER REMEDIES NOT AFFECTED.

The administrative citation procedures established in this Chapter shall be in addition to any other criminal, civil, or other remedy established by law which may be pursued to address violations of this Chapter. An administrative citation issued pursuant to this Chapter shall not prejudice or adversely affect any other action, civil or criminal, that may be brought to abate a violation or to seek compensation for damages suffered.
(Added by Ord. 205-06, File No. 060247, App. 7/25/2006)

SEC. 12R.25. OUTREACH.

The Office of Labor Standards Enforcement shall establish a community-based outreach program to conduct education and outreach to employees. In partnership with organizations involved in the community-based outreach program, the Office of Labor Standards shall create outreach materials that are designed for workers in particular industries.
(Added by Ord. 205-06, File No. 060247, App. 7/25/2006; amended by Ord. 175-11, File No. 110594, App. 9/16/2011, Eff. 10/16/2011)

SEC. 12R.26. REPORTS.

The Office of Labor Standards Enforcement shall provide annual reports to the Board of Supervisors on the implementation of the Minimum Wage Ordinance.
(Added by Ord. 205-06, File No. 060247, App. 7/25/2006)

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CITY of ALBUQUERQUE
TWENTIETH COUNCIL

2012 JUN 12 PM 1:57

COUNCIL BILL NO. ______________ ENACTMENT NO. ______________________

SPONSORED BY:

RECEIVED
ALBUQUERQUE CITY CLERK

PROPOSAL AND SPECIAL ELECTION RESOLUTION

ADOPTING A PROPOSITION TO BE SUBMITTED TO THE VOTERS AT A SPECIAL ELECTION TO APPROVE OR DISAPPROVE OF THE PROPOSED AMENDED ORDINANCE.

BE IT RESOLVED BY THE COUNCIL, THE GOVERNING BODY OF THE CITY OF ALBUQUERQUE:

Section 1. That the City Clerk is instructed to place the following summary of the proposal on the ballot for a special election, and the qualified voters of the City of Albuquerque shall be permitted to vote "for" or "against" the following proposition:

PROPOSITION

PROPOSING TO AMEND ALBUQUERQUE'S 2006 MINIMUM WAGE ORDINANCE TO RAISE THE MINIMUM WAGE IN THE CITY FROM THE CURRENT RATE OF $7.50 TO $8.50 PER HOUR STARTING IN 2013, AND TO ADJUST THE MINIMUM WAGE EACH YEAR AFTER THAT TO KEEP UP WITH THE RISING COST OF LIVING. THE ORDINANCE WILL ALSO REQUIRE THAT, STARTING IN 2013, EMPLOYERS OF TIPPED EMPLOYEES LIKE WAITRESSES AND WAITERS BE PAID AT LEAST 45% OF THE MINIMUM WAGE IN CASH WAGES FROM THEIR EMPLOYERS, AND THAT STARTING IN 2014, TIPPED EMPLOYEES BE PAID AT LEAST 60% OF THE MINIMUM WAGE IN CASH WAGES FROM THEIR EMPLOYERS, WITH THE REST OF THE MINIMUM WAGE PROVIDED IN EITHER TIPS OR CASH WAGES. CURRENTLY TIPPED EMPLOYEES ARE ALLOWED TO BE PAID MOSTLY WITH TIPS. THE MEASURE WILL CONTINUE THE CURRENT ORDINANCE'S PROVISION ALLOWING EMPLOYERS THAT PROVIDE CERTAIN HEALTH CARE OR CHILD CARE BENEFITS TO PAY $1.00 LESS THAN THE MINIMUM WAGE.

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The City Clerk shall cause the full text of the Proposition that follows to be published for four consecutive weeks in English and Spanish, the last publication to be not more than two weeks prior to the election at which time said Proposition shall be submitted to the electors of the City for their approval or rejection; and shall further provide notice of the content and purpose of the Proposition in both English and Spanish to inform electors about the amendments in the time and manner provided by law. This resolution for special election shall be published once a week for four consecutive weeks with the first publication between fifty and sixty days before the election. The publication of this special election resolution shall contain the summary of the proposition set forth herein but shall not contain the full text of the proposition. The full text of the Proposed Ordinance that follows shall appear on the ballot.

"ORDINANCE (full text)

Establishing The Albuquerque Minimum Wage Ordinance; Setting Minimum Wages For Employees; Creating Exemptions; Establishing Procedures For Enforcement.

BE IT ORDAINED BY THE COUNCIL, THE GOVERNING BODY OF THE CITY OF ALBUQUERQUE:

Section 1. SHORT TITLE. This ordinance may be cited as "The Albuquerque Minimum Wage Ordinance."

Section 2. DEFINITIONS.

CITY. The City of Albuquerque.

EMPLOYER. Any person, partnership, association, corporation, business trust, legal representative, or any other entity, or group of persons or entities, including corporate officers or executives, who is required to have a business license or business registration from the City of Albuquerque and who directly or indirectly or through an agent or any other person including, but not limited to, through a subsidiary or through the services of a temporary services agency, a staffing agency, a building services contractor, or any similar entity, employs or exercises control over the wages, hours or working conditions of any Employee. "Employer" shall include the City of Albuquerque.

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EMPLOYEE. Any person who performs work for an Employer for monetary compensation for at least two (2) hours in a given week within the municipal limits of the City. "Employee" shall include persons who perform work for an Employer on a full-time, part-time, seasonal, or temporary basis. Employee shall not include any person who is excluded from the definition of employee under NMSA §§ 50-4-21(c)(3)-(5), (7) of the New Mexico Minimum Wage Act, except that persons employed by the City of Albuquerque are employees. "Employee" shall not include interns working for an Employer for academic credit in connection with a course of study at an accredited school, college or university or employees working for an accredited school, college or university pursuant to a work-study program while attending that school, college or university. "Employee" shall not include any person who has received a certificate from the state labor commissioner pursuant to § 50-4-23 NMSA 1978 or § 50-4-21(C)(12) NMSA 1978.

MINIMUM WAGE, MINIMUM WAGE RATE. The minimum hourly rates of monetary compensation for work as specified in this ordinance.

TIP. A sum presented by a customer as a gift or gratuity in recognition of some service performed for the customer. "Tip" shall include only tips actually received by an Employee as money belonging to him or her. Where Employees practice tip pooling or splitting, as where wait staff give a portion of their tips to bus persons, both the actual amounts retained by the waiters or waitresses and those given the bus persons shall be considered "Tips" of the individual Employee who retains them. A compulsory charge for service imposed on a customer by an Employer's establishment shall not be considered a "Tip" unless it is distributed by the Employer to its Employees.

TIPPED EMPLOYEE. Any Employee engaged in an occupation in which he or she customarily and regularly receives Tips from customers.

TIPPED MINIMUM WAGE. The minimum cash wage that a Tipped Employee must receive from his or her Employer, as provided under Section 3(A).

Section 3. MINIMUM WAGE.

(A) Minimum Wage Payment Required. Except as provided herein, Employers shall pay all Employees no less than the Minimum Wage for each

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hour worked within the municipal limits of the City. Tips or commissions received and retained by a Tipped Employee may ~~an employee shall~~ be counted as wages and credited towards partial satisfaction of the minimum wage. Provided, however, that the cash wage paid to a Tipped Employee by his or her Employer shall be no less than the Tipped Minimum Wage, which, beginning January 1, 2013, shall be 45% of the Minimum Wage, and beginning January 1, 2014 and each year thereafter, shall be 60% of the Minimum Wage. An Employer may credit tips as part of the wages of a Tipped Employee only if the Employer informs the Tipped Employee in advance in writing, pays the Tipped Employee a cash wage equal to or greater than the Tipped Minimum Wage, and is able to establish by the Tipped Employee's declaration for Federal Insurance Contributions Act (FICA) purposes or by its records of charged tips that the total of the tips received by the Tipped Employee and the cash wages paid by the Employer is equal to or greater than the Minimum Wage. The tips received by a Tipped Employee become the property of the Tipped Employee and may not be shared with the Employer. This subsection shall not be construed to prohibit the pooling of tips among Employees who customarily and regularly receive tips.

(B) Minimum Wage Rate. Beginning January 1, 2007, the Minimum Wage for Employees shall be an hourly rate of $6.75. Beginning January 1, 2008, the Minimum Wage for Employees shall be an hourly rate of $7.15. Beginning January 1, 2009, the Minimum Wage for Employees shall be an hourly rate of $7.50. Beginning January 1, 2013, the Minimum Wage for Employees shall be an hourly rate of $8.50. For employers who provide healthcare and/or childcare benefits to an employee during any pay period for which the employer pays an amount for those healthcare benefits equal to or in excess of an annualized cost of $2500.00, beginning January 1, 2007, the Minimum Wage for that employee shall be an hourly rate of $5.75, in addition to the healthcare benefits and/or childcare benefits, beginning January 1, 2008, the Minimum Wage for that employee shall be an hourly rate of $6.15, in addition to the healthcare and/or childcare benefits, ~~and~~ beginning January 1, 2009, the Minimum Wage for that employee shall be an hourly rate of $6.50, in addition to the healthcare and/or childcare benefits, and beginning January 1, 2013 and

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each year thereafter, the Minimum Wage for that employee shall be an hourly rate of $1.00 less than the current Minimum Wage otherwise applicable to employees who do not receive such benefits.

(C) Annual Cost of Living Adjustment. Beginning on January 1, 2014 and annually on each January 1 thereafter, the Minimum Wage shall be adjusted based on the increase, if any, in the cost of living, and rounded to the nearest multiple of five cents. The increase in the cost of living shall be calculated based on the percentage increase, if any, as of August of the immediately preceding year over the level as of August of the previous year of the Consumer Price Index (All Urban Wage Earners and Clerical Workers, U.S. City Average for All Items) or its successor index as published by the U.S. Department of Labor or its successor agency. The adjusted Tipped Minimum Wage shall be calculated based on the adjusted Minimum Wage, and rounded to the nearest multiple of five cents. The City shall publish the adjusted Minimum Wage and the adjusted Tipped Minimum Wage for the forthcoming year on its Internet home page by October 15 of each year, and they shall become effective on January 1 of the forthcoming year.

Section 4. NOTICE, POSTING AND RECORDS.

(A) Notice to Employees. Every Employer shall post in a conspicuous place at any workplace or job site where any Employee works a notice published each year by the City Attorney informing Employees of the current Minimum Wage rates and of their rights under this ordinance. Every Employer shall post such notices in English and Spanish.

(B) Records. Employers shall maintain payroll records showing the hours worked daily by and the wages paid to all Employees. Employers shall retain payroll records pertaining to Employees for a period of three years. When the Employer uses tips to meet the Minimum Wage for an Employee, the Employer must have a Tip declaration signed by the Tipped Employee for each pay period.

Section 5. IMPLEMENTATION AND ENFORCEMENT.

(A) Rulemaking. The City shall have the authority to coordinate implementation and enforcement of this ordinance and may promulgate appropriate guidelines or rules for such purposes. Any guidelines or rules

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promulgated by the City shall have the force and effect of law and may be relied on by Employers, Employees, and other parties to determine their rights and responsibilities under this ordinance. Any such guidelines or rules may establish procedures for ensuring fair, efficient and cost-effective implementation of this ordinance, including supplementary procedures for helping to inform Employees of their rights under this ordinance and for monitoring Employer compliance with this ordinance.

(B) Civil Enforcement. Any Employee receiving less than the wage to which the Employee is entitled under this ordinance may bring a civil action in a court of competent jurisdiction and, upon prevailing, shall recover the balance of the wages owed, including interest thereon, and an additional amount equal to twice the wages owed, and any other appropriate legal or equitable relief. Any Employee who has suffered discrimination in any manner or had adverse action taken against that Employee in retaliation for exercising rights protected under this ordinance may bring a civil action in a court of competent jurisdiction and, upon prevailing, shall recover actual damages plus reinstatement in the case of discharge. In any case where an Employee has been discharged in retaliation for exercising rights under this ordinance, the period of violation extends from the day of discharge until the day the Employee is reinstated, the day the Employee agrees to waive reinstatement or, in the case of an Employee who may not be rehired, from the day of discharge until the day legal judgment is final. The requirements of this ordinance may also be enforced by the City Attorney. In such case, unpaid wages and actual damages recovered shall be payable to the individual Employee as to whom the violation occurred. A plaintiff prevailing in an action to enforce this ordinance shall be entitled to recover his or her costs and expenses of suit and reasonable attorney's fees.

Section 6. RELATIONSHIP TO OTHER REQUIREMENTS. This ordinance provides for payment of Minimum Wage rates and shall not be construed to preempt or otherwise limit or affect the applicability of any other law, regulation, requirement, policy or standard that provides for payment of higher or supplemental wages, benefits, or protections. Nothing contained in

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this ordinance prohibits an Employer from paying more than the Minimum Wage rates established under this ordinance.

Section 7. SEVERABILITY CLAUSE. If any section, paragraph, sentence, clause, word or phrase of this ordinance is for any reason held to be invalid or unenforceable by any court of competent jurisdiction, such decision shall not affect the validity of the remaining provisions of this ordinance. The Council hereby declares that it would have passed this ordinance and each section, paragraph, sentence, clause, word or phrase thereof irrespective of any provision being declared unconstitutional or otherwise invalid.

Section 8. COMPILATION. This ordinance shall be incorporated in and made part of the Revised Ordinances of Albuquerque, New Mexico, 1994.

Section 9. EFFECTIVE DATE. This ordinance shall take effect five days after publication by title and general summary.

Brian Surratt/pml/de
MOS Minimum Wage ORD
May 29, 2014
Version # 3

CITY OF SEATTLE

ORDINANCE 124490

COUNCIL BILL 118098

AN ORDINANCE relating to employment in Seattle; adding a new Chapter 14.19 to the Seattle Municipal Code; establishing minimum wage and minimum compensation rates for employees performing work in Seattle; and prescribing remedies and enforcement procedures.

WHEREAS, United States President Barack Obama has called addressing income inequality the "the defining issue of our time;"

WHEREAS, the noted economist Thomas Piketty wrote in his landmark book *Capital in the 21st Century,* the need to act on income inequality is profound as "[r]eal wages for most US workers have increased little if at all since the early 1970s, but wages for the top one percent of earners have risen 165 percent, and wages for the top 0.1 percent have risen 362 percent;"

WHEREAS, the tens of thousands of low wage workers in Seattle who struggle to meet their most basic needs, the increasing unaffordability of this city for so many of our citizens, and the hollowing-out of the middle class strike at the core of who we are as a community dedicated to democratic principles and economic advancement and opportunity;

Whereas, Seattle has one of the worst gender wage gaps in the country, where a majority of low wage workers tend to be women, and a higher minimum wage is a powerful tool to reduce the income disparity between women and men;

WHEREAS, many Seattle workers cannot fully participate in our community's dynamic civic life or pursue the myriad educational, cultural, and recreational opportunities that constitute a flourishing life because many struggle to meet their households' most basic needs;

WHEREAS, Seattle is home to many innovative and progressive employers who contribute significantly to the economic prosperity of the region;

WHEREAS, Seattle has a long and proud tradition of advocating for worker rights and promoting social and economic justice;

WHEREAS, minimum wage laws promote the general welfare, health, and prosperity of Seattle by ensuring that workers can better support and care for their families and fully participate in Seattle's civic, cultural, and economic life;

WHEREAS, the Mayor signed Executive Order 2014-01 directing all City of Seattle Department Directors to prioritize and work in coordination with the City's Personnel Department and Budget Office to develop a comprehensive implementation plan that ensures a minimum hourly wage of $15.00 for employees of the City of Seattle, and directing the Personnel Department and Budget Office to seek concurrence and coordinate with the City Council and the Mayor's Income Inequality Advisory Committee;

WHEREAS, the Mayor and City Council has convened a Labor Standards Advisory Committee and the City expects the committee will provide feedback later in 2014 on recommended approaches for enhancing the City's enforcement of various labor laws including, but not limited to, minimum wage laws;

WHEREAS, the City is committed to evaluating options for securing progressive sources of funding to ensure that non-profit human services providers with City-funded contracts can provide both a living wage to their workforce and continue to provide critical services for those in the greatest need;

WHEREAS, Seattle's employer and worker advocacy community have come together to respond to the challenge of rising income inequality and ensure broadly shared prosperity in our community;

NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. The City Council ("Council") makes the following findings of fact and declarations:

1. Over 100,000 Seattle workers earn wages insufficient to support themselves and their families;

2. In Seattle, the weight of income inequality falls disproportionately on people of color and on women. More than 34 percent of all women and over 40 percent of African Americans and Asian and Pacific Islander Americans rank among low wage workers in Seattle. For Latinos, that number is nearly 50 percent, and it is 70 percent for Native Americans;

3. Over 24 percent of Seattle residents earn hourly wages of $15.00 per hour or less and approximately 13.6 percent of the Seattle community lives below the poverty level;

4. Some employers, in particular small businesses and not-for-profit organizations, may have difficulty in accommodating the increased costs;

5. Numerous studies suggest minimum wages benefit employers and the economy as a whole by improving employee performance, reducing employee turnover, lowering absenteeism, and thereby improving productivity and the quality of the services provided by employees;

6. The Mayor formed an "Income Inequality Advisory Committee," a group comprised of representatives from Seattle's employer, labor, and non-profit communities to address the pressing issue of income inequality in Seattle;

7. The Income Inequality Advisory Committee was charged with delivering recommendations on how best to increase the minimum wage in Seattle in a way that ensures that our economy is vibrant enough and fair enough to embrace all who live and work here;

8. The Income Inequality Advisory Committee reviewed the impact of minimum wage increases in other cities, relevant studies and other appropriate data, and hosted numerous public engagement forums, including industry-specific forums and the "Income Inequality Symposium" at Seattle University;

9. The Income Inequality Advisory Committee determined the following: Seattle's minimum wage should be raised to $15.00 per hour; the minimum wage should be phased in over time, the first year of implementation of a phased increase of the minimum wage should begin in 2015; once the minimum wage reaches $15.00 per hour it should rise in concert with the consumer price index; exemptions from the $15.00 per hour minimum wage are limited to only those allowed under the Washington State Minimum Wage Act; a benchmark of 500 employees is appropriate as distinguishing between larger and smaller employers in recognition that smaller

businesses and not-for-profits would face particular challenges in implementing a higher minimum wage;

10. The Income Inequality Advisory Committee also recognized a set of principles for a strong enforcement and culturally competent worker and business education program that integrates existing annual business license processes; creates significant penalties for intentional and repeat violations; establishes worker and employer outreach and education programs through contracts with 501(c)3 community-based organizations and business associations; develops an incentive structure for businesses with solid labor practices; emphasizes culturally competent communication with employees and employers; connects workers with the appropriate local, state, and federal agencies; and establishes a business, labor, and community oversight committee to monitor implementation of the City of Seattle's new labor standards education and enforcement function. These principles will be forwarded to the City of Seattle's Labor Standards Advisory Committee; and

11. The public welfare, health, and prosperity of Seattle require wages and benefits sufficient to ensure a decent and healthy life for all Seattle workers and their families.

Section 2. A new Section 14.19.010 is added to the Seattle Municipal Code as follows:

14.19.010 Definitions

For the purposes of this Chapter:

A. "Actuarial value" means the percentage of total average costs for covered benefits that a health benefits package will cover;

B. "Bonuses" means non-discretionary payments in addition to hourly, salary, commission, or piece-rate payments paid under an agreement between the employer and employee;

C. "Commissions" means a sum of money paid to an employee upon completion of a task, usually selling a certain amount of goods or services;

D. "Department" means the Department of Finance and Administrative Services;

E. "Director" means the Director of the Department of Finance and Administrative Services, or his or her designee;

F. "Employ" means to permit to work;

G. "Employee" means "employee," as defined under Section 12A.28.200. Employee does not include individuals performing services under a work study agreement;

H. "Employer" means any individual, partnership, association, corporation, business trust, or any person or group of persons acting directly or indirectly in the interest of an employer in relation to an employee;

I. "Franchise" means a written agreement by which:

1. A person is granted the right to engage in the business of offering, selling, or distributing goods or services under a marketing plan prescribed or suggested in substantial part by the grantor or its affiliate;
2. The operation of the business is substantially associated with a trademark, service mark, trade name, advertising, or other commercial symbol; designating, owned by, or licensed by the grantor or its affiliate; and
3. The person pays, agrees to pay, or is required to pay, directly or indirectly, a franchise fee;

J. "Franchisee" means a person to whom a franchise is offered or granted;

K. "Franchisor" means a person who grants a franchise to another person;

L. "Hearing Examiner" means the official appointed by the Council and designated as the Hearing Examiner, or that person's designee (Deputy Hearing Examiner, Hearing Examiner Pro Tem, etc.);

M. "Hourly minimum compensation" means the minimum compensation due to an employee for each hour worked during a pay period;

N. "Hourly minimum wage" means the minimum wage due to an employee for each hour worked during a pay period;

O. "Medical benefits plan" means a silver or higher level essential health benefits package, as defined in 42 U.S.C. § 18022, or an equivalent plan that is designed to provide benefits that are actuarially equivalent to 70 percent of the full actuarial value of the benefits provided under the plan, whichever is greater;

P. "Minimum compensation" means the minimum wage in addition to tips actually received by the employee and reported to the Internal Revenue Service, and money paid by the employer towards an individual employee's medical benefits plan;

Q. "Minimum wage" means all wages, commissions, piece-rate, and bonuses actually received by the employee and reported to the Internal Revenue Service;

R. "Piece-rate" means a price paid per unit of work;

S. "Rate of inflation" means the Consumer Price Index annual percent change for urban wage earners and clerical workers, termed CPI-W, or a successor index, for the twelve months prior to each September 1st as calculated by the United States Department of Labor;

T. "Schedule 1 Employer" means all employers that employ more than 500 employees in the United States, regardless of where those employees are employed in the United States, and all franchisees associated with a franchisor or a network of franchises with franchisees that employ more than 500 employees in aggregate in the United States;

U. "Schedule 2 Employer" means all employers that employ 500 or fewer employees regardless of where those employees are employed in the United States. Schedule 2 employers do not include franchisees associated with a franchisor or a network of franchises with franchisees that employ more than 500 employees in aggregate in the United States;

V. "Tips" means a verifiable sum to be presented by a customer as a gift or gratuity in recognition of some service performed for the customer by the employee receiving the tip;

W. "Wage" means compensation due to an employee by reason of employment, payable in legal tender of the United States or checks on banks convertible into cash on demand at full face value, subject to such deductions, charges, or allowances as may be permitted by rules of the Director. Commissions, piece-rate, and bonuses are included in wages. Tips and employer payments toward a medical benefits plan do not constitute wages for purposes of this Chapter.

Section 3. A new Section 14.19.020 is added to the Seattle Municipal Code as follows:

14.19.020 Employment in Seattle and Employer Schedule Determination

A. Employees are covered by this Chapter for each hour worked within the geographic boundaries of Seattle, provided that an employee who performs work in Seattle on an occasional basis is covered by this Chapter in a two-week period only if the employee performs more than two hours of work for an employer within Seattle during that two-week period. Time spent in Seattle solely for the purpose of travelling through Seattle from a point of origin outside Seattle to a destination outside Seattle, with no employment-related or commercial stops in Seattle except for refueling or the employee's personal meals or errands, is not covered by this Chapter. An employee who is not covered by this Chapter is still included in any determination of the size of the employer.

B. For the purposes of determining whether a non-franchisee employer is a Schedule 1 employer or a Schedule 2 employer, separate entities that form an integrated enterprise shall be considered a single employer under this Chapter. Separate entities will be considered an integrated enterprise and a single employer under this Chapter where a separate entity controls the operation of another entity. The factors to consider in making this assessment include, but are not limited to:

1. Degree of interrelation between the operations of multiple entities;
2. Degree to which the entities share common management;

3. Centralized control of labor relations; and

4. Degree of common ownership or financial control over the entities.

There shall be a presumption that separate legal entities, which may share some degree of interrelated operations and common management with one another, shall be considered separate employers for purposes of this section as long as (1) the separate legal entities operate substantially in separate physical locations from one another, and (2) each separate legal entity has partially different ultimate ownership. The determination of employer schedule for the current calendar year will be calculated based upon the average number of employees employed per calendar week during the preceding calendar year for any and all weeks during which at least one employee worked for compensation. For employers that did not have any employees during the previous calendar year, the employer schedule will be calculated based upon the average number of employees employed per calendar week during the first 90 calendar days of the current year in which the employer engaged in business.

C. The Director shall have the authority to issue a special certificate authorizing an employer to pay a wage less than the City of Seattle minimum wage, as defined in this Chapter, but above the Washington State minimum wage, as defined in RCW 49.46.020. Such special certificates shall only be available for the categories of workers defined in RCW 49.46.060 and shall be subject to such limitations as to time, number, proportion, and length of service as the Director shall prescribe. Prior to issuance, an applicant for a special certificate must secure a letter of recommendation from the Washington State Department of Labor and Industries stating that the applicant has a demonstrated necessity pursuant to WAC 296-128.

D. The Director shall by rule establish the minimum wage for employees under the age of eighteen years, provided that any percentage of the hourly rate established by rule shall not be lower than the percentage applicable under state statutes and regulations.

Section 4. A new Section 14.19.030 is added to the Seattle Municipal Code as follows:

14.19.030 Hourly Minimum Wage – Schedule 1 Employers

A. Effective April 1, 2015, Schedule 1 employers shall pay each employee an hourly minimum wage of at least $11.00. Pursuant to the following schedule, effective January 1 of each year thereafter, Schedule 1 employers shall pay any employee an hourly minimum wage as follows:

Year	*Hourly Minimum Wage*
2016	$13.00
2017	$15.00

Effective January 1, 2018, the hourly minimum wage paid by a Schedule 1 employer to any employee shall be increased annually on a percentage basis to reflect the rate of inflation and calculated to the nearest cent on January 1 of each year thereafter.

B. Schedule 1 employers can meet the applicable hourly minimum wage requirement through a payment of the minimum wage, provided that the Schedule 1 employer is in compliance with all applicable law. Where an employee is paid on a commission or piece-rate basis, wholly or partially, the amount earned on such basis in each work-week period may be credited as a part of the total wage for that period, and the total wages paid for such period shall be computed on the hours worked in that period resulting in no less than the applicable minimum wage rate. Where an employee is paid a bonus, the amount of the bonus in each work-week period may be credited as a part of the total wage for that period, and the total wages paid for such period shall be computed on the hours worked in that period resulting in no less than the applicable minimum wage rate. Pursuant to the following schedule, effective January 1, 2016, Schedule 1 employers that pay toward an individual employee's medical benefits plan shall pay the employee an hourly minimum wage as follows:

Year	*Hourly Minimum Wage*
2016	$12.50
2017	$13.50
2018	$15.00

Effective January 1, 2019, payment by the employer of health benefits for employees shall no longer affect the hourly minimum wage paid by a Schedule 1 employer.

Section 5. A new Section 14.19.040 is added to the Seattle Municipal Code as follows:

14.19.040 Hourly Minimum Wage – Schedule 2 Employers

A. Effective April 1, 2015, Schedule 2 employers shall pay each employee an hourly minimum wage of at least $10.00. Schedule 2 employers can meet the applicable hourly minimum wage requirement through a payment of the minimum wage, provided that the Schedule 2 employer is in compliance with all applicable law. Effective January 1 of 2016 and each year thereafter, Schedule 2 employers shall pay each employee an hourly minimum wage that is the lower of (a) the applicable hourly minimum wage for Schedule 1 Employers or (b) the hourly minimum wage shown in the following schedule:

Year	*Hourly Minimum Wage*
2016	$10.50
2017	$11.00
2018	$11.50

2019	$12.00
2020	$13.50
2021	$15.00
2022	$15.75
2023	$16.50
2024	$17.25

Effective on January 1 of 2025, and January 1 of every year thereafter, the hourly minimum wage paid by a Schedule 2 employer to any employee shall equal the hourly minimum wage applicable to Schedule 1 employers.

B. Schedule 2 employers can meet the applicable hourly minimum wage requirements through a payment of the minimum wage, provided that the Schedule 2 employer is in compliance with all applicable law.

Section 6. A new Section 14.19.050 is added to the Seattle Municipal Code as follows:

14.19.050 Hourly Minimum Compensation – Schedule 2 Employers

A. Effective April 1, 2015, Schedule 2 employers shall pay each employee an hourly minimum compensation of at least $11.00. Effective January 1 of each year thereafter, Schedule 2 employers shall pay each employee an hourly minimum compensation that is the lower of (a) the applicable hourly minimum wage for Schedule 1 Employers or (b) the hourly minimum compensation shown in the following schedule:

Year	*Hourly Minimum Compensation*
2016	$12.00
2017	$13.00
2018	$14.00
2019	$15.00
2020	$15.75

Effective January 1, 2021, the hourly minimum compensation paid by a Schedule 2 employer to any employee shall equal the hourly minimum wage applicable to Schedule 1 employers.

B. Schedule 2 employers can meet the applicable hourly minimum compensation requirement through wages (including applicable commissions, piece-rate, and bonuses), tips and money paid by an employer towards an individual employee's medical benefits plan, provided that the Schedule 2 employer also meets the applicable hourly minimum wage requirements.

C. Effective January 1, 2025, minimum compensation will no longer be applicable as defined in this Chapter.

Section 7. A new Section 14.19.060 is added to the Seattle Municipal Code as follows:

14.19.060 Enforcement

A. Powers and Duties

1. The Department shall investigate alleged violations of this Chapter as defined herein, and shall have such powers and duties in the performance of these functions as are defined in this Chapter and otherwise necessary and proper in the performance of the same and provided for by law.

2. The Director is authorized and directed to promulgate rules consistent with this Chapter.

B. Exercise of Rights Protected; Retaliation Prohibited

1. It shall be a violation for an employer or any other person to interfere with, restrain, or deny the exercise of, or the attempt to exercise, any right protected under this Chapter.

2. It shall be a violation for an employer to discharge, threaten, harass, demote, penalize, or in any other manner discriminate or retaliate against any employee because the employee has exercised in good faith the rights protected under this Chapter. Such rights include but are not limited to the right to file an oral or written complaint with the Department about any employer's alleged violation of this Chapter; the right to inform his or her employer, union or similar organization, and/or legal counsel about an employer's alleged violation of this Chapter; the right to cooperate with the Department in its investigations of alleged violations of this Chapter; the right to oppose any policy, practice, or act that is unlawful under this Chapter; and the right to inform other employees of his or her potential rights under this Chapter.

3. It shall be considered a violation for an employer to communicate to a person filing a wage claim, directly or indirectly, explicitly or implicitly, the willingness to inform a government employee that the person is not lawfully in the United States, report or threaten to report suspected citizenship or immigration status of an employee or a family member of the employee to a federal, state, or local agency because the employee has exercised a right under this Chapter.

C. Notice, Posting, and Records

1. Employers shall give notice to employees in English, Spanish and any other language commonly spoken by employees at the particular workplace that they are entitled to the minimum wage and minimum compensation; that retaliation against employees who exercise their rights under this Chapter is prohibited; and that each employee has the right to file a charge or bring a civil action if the minimum wage or minimum compensation as defined in this Chapter is not paid or the employee is retaliated against for engaging in an activity protected under this Chapter.

2. Employers may comply with this section by posting in a conspicuous place at any workplace or job site where any covered employee works a notice published each year by the Department informing employees of the current minimum wage and minimum compensation rates applicable in that particular workplace or jobsite and of their rights under this Chapter in English, Spanish and any other languages commonly spoken by employees at the particular workplace or job site.

3. Employers shall retain payroll records pertaining to covered employees for a period of three years documenting minimum wages and minimum compensation paid to each employee.

D. Charges and Investigation

1. The Department may investigate any violations of this Chapter. A charge alleging a violation of this Chapter should include a statement of the dates, places, and persons or entities responsible for such violation. A charge alleging a violation of this Chapter may also be filed by the Director on behalf of an aggrieved individual when the Director has reason to believe that a violation has occurred.

2. Charges filed under this Chapter must be filed within 3 years after the occurrence of the alleged violation. The applicable statute of limitations for civil actions is tolled

during the Department's investigation and any administrative enforcement proceeding under this Chapter based upon the same facts.

3. The Director shall cause to be served or mailed by certified mail, return receipt requested, a copy of the charge on the respondent within 20 days after the filing of the charge and shall promptly make an investigation thereof.

4. The investigation shall be directed to ascertain the facts concerning the alleged violation of this Chapter, and shall be conducted in an objective and impartial manner.

5. During the investigation the Director shall consider any statement of position or evidence with respect to the allegations of the charge which the charging party or the respondent wishes to submit. The Director shall have authority to sign and issue subpoenas requiring the attendance and testimony of witnesses, and the production of evidence including but not limited to books, records, correspondence or documents in the possession or under the control of the employer subpoenaed.

E. Findings of Fact and Notice of Violation.

1. The results of the investigation shall be reduced to written findings of fact, and a written determination shall be made by the Director that a violation of this Chapter has occurred. The findings of fact shall be furnished promptly to the respondent and charging or aggrieved party in the form of a notice of violation.

2. Within sixty days of a notice of violation, the Director shall confer with the parties and determine an appropriate remedy, which shall include full payment of unpaid wages due to the charging or aggrieved party under the terms of this Chapter. Such remedy shall be reduced to writing in an order of the Director.

F. Remedies

1. An employer who willfully violates the notice and posting requirements of this section shall be subject to a civil penalty in an amount not to exceed $125 for the first violation and $250 for subsequent violations.

2. It is unlawful for any employer to willfully resist, prevent, impede or interfere with the Director in the performance of his or her duties under this Chapter. Conduct made unlawful by this section constitutes a violation and any employer who commits such a violation may be punished by a civil penalty of not less than $1,000 and not more than $5,000.

3. For a first time violation of this Chapter, the Director shall issue a warning and may assess a civil penalty of up to $500 for improper payment of minimum wage and minimum compensation as defined in this Chapter. For subsequent violations, the Director shall assess a civil penalty for improper payment of minimum wage and minimum compensation as defined in this Chapter. A civil penalty for a second time violation of this Chapter shall be not greater than $1,000 per employee or an amount equal to ten percent of the total amount of unpaid wages, whichever is greater. A civil penalty for a third violation of this Chapter shall not be greater than $5,000 per employee or an amount equal to ten percent of the total amount of unpaid wages, whichever is greater. The maximum civil penalty for a violation of this chapter shall be $20,000 per employee.

4. Within sixty days of a notice of violation of this Chapter, the Director shall confer with the parties and determine an appropriate remedy, which shall include full payment of unpaid wages and accrued interest due to the charging or aggrieved party under the terms of this Chapter. Such remedy shall be reduced to writing in an order of the Director.

G. Appeal Period and Failure to Respond

1. An employer may appeal the Director's order by requesting a contested hearing in writing within 15 days of service. If an employer fails to appeal the Director's order within 15 days of service, the Director's order shall be final and enforceable. When the last day of the appeal period so computed is a Saturday, Sunday, or federal or City holiday, the period shall run until 5:00 p.m. on the next business day.

H. Appeal Procedure and Failure to Appear

1. Contested hearings shall be conducted pursuant to the procedures for hearing contested cases contained in Section 3.02.090 and the rules adopted by the Hearing Examiner for hearing contested cases. The Director shall have the burden of proof by a preponderance of the evidence before the Hearing Examiner. Failure to appear for a requested hearing will result in an order being entered finding that the employer cited committed the violation stated in the Director's order. For good cause shown and upon terms the Hearing Examiner deems just, the Hearing Examiner may set aside an order entered upon a failure to appear.

2. In all contested cases, the Hearing Examiner shall enter an order affirming, modifying or reversing the Director's order.

Section 8. A new Section 14.19.070 is added to the Seattle Municipal Code as follows:

14.19.070 Severability

The provisions of this Chapter are declared to be separate and severable. If any clause, sentence, paragraph, subdivision, section, subsection or portion of this Chapter, or the application thereof to any employer, employee, or circumstance, is held to be invalid, it shall not affect the validity of the remainder of this Chapter, or the validity of its application to other persons or circumstances.

Section 9. A new Section 14.19.080 is added to the Seattle Municipal Code as follows:

14.19.080 Other Legal Requirements

This Chapter provides minimum wage and minimum compensation requirements and shall not be construed to preempt, limit, or otherwise affect the applicability of any other law, regulation, requirement, policy, or standard that provides for greater wages or compensation; and nothing in this Chapter shall be interpreted or applied so as to create any power or duty in conflict with federal or state law. Nor shall this Chapter be construed to preclude any person aggrieved from seeking judicial review of any final administrative decision or order made under this Chapter affecting such person.

Section 10. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the 2nd day of June, 2014, and signed by me in open session in authentication of its passage this 2nd day of June, 2014.

President ______ of the City Council

Approved by me this 3 day of June, 2014.

Edward B. Murray, Mayor

Filed by me this 3rd day of June, 2014.

Monica Martinez Simmons, City Clerk

(Seal)

Bruce Harrell/pml/de
RES
June 2, 2014
Version #6

CITY OF SEATTLE
RESOLUTION 31524

A RESOLUTION requesting that the Department of Finance and Administrative Services work with the City Council and other appropriate City departments and stakeholders to strengthen implementation of any local minimum wage ordinance.

WHEREAS, across the nation, low-wage workers have stepped forward to highlight their struggle to support themselves and their families; and

WHEREAS, Seattle workers and their advocates are leading the national dialogue about economic justice and the role of government in ensuring our communities have true opportunities for advancement out of poverty; and

WHEREAS, once an individual begins working, it can be difficult to go back to school or to start building the skills that will lead to additional, higher paid employment opportunities; and

WHEREAS, under the leadership of Mayor Ed Murray, an Income Inequality Advisory Committee (IIAC) was formed and charged with delivering a set of recommendations for increasing the minimum wage in Seattle, recognizing that Seattle businesses are of a diverse size and nature and operate under many different business models; and

WHEREAS, IIAC consisted of representatives from Seattle's employer, labor, and non-profit communities; and

WHEREAS, the City Council established a Select Committee on Minimum Wage and Income Inequality (MWII Committee) composed of all nine Councilmembers; and

WHEREAS, the IIAC and MWII Committee have conducted extensive outreach with employees and employers through public hearings, small stakeholder group meetings, and individual meetings with Councilmembers; and

WHEREAS, Seattle plans to join nine other local jurisdictions that have chosen to enact a local minimum wage; and

WHEREAS, the minimum wage policy goals must include support for the growth of all small businesses and recognition that smaller businesses face unique challenges in implementing a higher minimum wage; and

WHEREAS, in order to be effective a local minimum wage must be understood by both employees and employers; and

WHEREAS, Seattle invests significantly in worker training and support intended to boost the chances low-skilled, low experience workers will get a job and, ultimately, a career; and

WHEREAS, the City has convened an advisory committee to consider ways the City can increase compliance with and strengthen the enforcement of City labor standards;

NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE, THE MAYOR CONCURRING, THAT:

Section 1. In order to strengthen the implementation of the local minimum wage ordinance and consider supplementing its provisions, Council requests the following:

1. **Multilingual Mobile Application.** The Council requests that the Department of Finance, Information Technology and other appropriate City departments develop and implement a multilingual mobile application that will allow employees to: 1) determine the minimum wage and minimum compensation they are entitled to be paid each year, and the amount of health care benefits or tips that may be counted as part of the required minimum compensation; and 2) allow employees to file a wage-theft inquiry or complaint directly with the City on the mobile application. Work on the mobile application should begin immediately after passage of a local minimum wage act. A progress report to Council should be submitted no later than September 8, 2014.
2. **Multilingual Website.** The Council requests that the Department of Finance, Information Technology and other appropriate City departments develop and implement a multi-lingual user-friendly website where employers can: 1) determine the minimum wage and minimum compensation they are required to pay their employees each year, and the amount of health care benefits or tips that may be counted as part of the required

minimum compensation; and 2) determine all applicable employer requirements under the ordinance. Work on the website should begin immediately after passage of a local minimum wage act. A progress report to Council should be submitted no later than September 8, 2014.

3. **Evaluation of the Local Minimum Wage Ordinance on Businesses and Workers.** Council requests that the City Auditor contract with academic researchers who have a proven track record of rigorous analysis of the impacts of minimum wage laws to conduct an evaluation of the economic impacts of the local minimum wage in 2017 and 2019, after two and four years of implementation. The evaluation should include an assessment of the impact of the legislation on: employment among different classes of workers; rates of business openings and closures; prices; business profits; compliance rates; whether other worker benefits have reduced or remained unaffected; consumer spending; worker turnover and productivity; demand for state and local public assistance; purchasing power of employees covered by the law; gender and racial income disparities; and the economic security of immigrant and refugee workers. The evaluation may require baseline data collection in 2015. The review should pay particular attention to the immigrant-owned businesses and small manufacturers, employer groups that have argued that the minimum wage change in Seattle will affect them differently from other businesses. It should also pay particular attention to the frequency of non-compliance through a review of formal complaints to the City and an analysis of other relevant data sources that could show the frequency of unreported non-compliance. The review should include analysis of the available empirical data sets, such as from the United States Bureau of Labor Statistics or Washington State Labor & Industries, and interviews with employers and employees and other stakeholders when appropriate. The Council will consider the funding of this evaluation as part of the 2015 budget process.

4. **Support for Education and Career Ladders.** Council requests that the Department of Finance and Administrative Services work with the City Council, and other appropriate City departments to establish an interdepartmental team (IDT) of City staff to determine ways the City can: 1) assist low wage workers with the identification of pathways, opportunities and financial aid to continue their education and skill training in ways that can broaden their employment opportunities; and 2) explore mechanisms to assist employers who support their employees through continuing education and job skills training. The options the IDT should explore include expanding the definition of minimum compensation to include credit for employer assistance in employee classes, and vocational training. A workplan and anticipated schedule for this review and evaluation should be submitted to the Mayor and Council no later than September 8, 2014.

5. **Minimum Wage Commission:** Council recommends the City establish a Minimum Wage Commission (MWC) consisting of 15 members that will remain in existence for 5 years after the effective date of this ordinance. . The MWC shall be appointed by the Mayor and Council, subject to confirmation by a majority vote of all members of the City Council. The Commission shall have balanced representation of one-third labor, one-third business, and one-third community representatives. Representation on the committee should be diverse, including but not limited to ethnic minority owned businesses, women owned businesses, low wage workers, representatives of immigrant and refugee communities, and labor and business representatives from a variety of industries. It is anticipated that the MWC will create an important opportunity for the community to review the implementation of the new Local Minimum Wage Law. Subsequent legislation will be required to create the MWC and establish functions and prescribe duties.

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RES
June 2, 2014
Version #6

6. **City Employees and Contractors.** Council requests that the Executive return with a plan for how the City will meet its obligations under the new minimum wage schedule. This plan should indicate how the City's own low-wage employees will advance and any steps required to meet revised wage obligations. The plan should also address steps the City should take to ensure human services providers and others with City contracts will be able to meet policy and service objectives while also meeting the new wage schedules.

Adopted by the City Council the 2nd day of June, 2014, and signed by me in open session in authentication of its adoption this 2nd day of June, 2014.

President ____________ of the City Council

THE MAYOR CONCURRING:

Edward B. Murray, Mayor

Filed by me this 3rd day of June, 2014.

Monica Martinez Simmons, City Clerk

(Seal)

PDS CITY CLERK

A City-Wide Minimum Wage in Portland Maine

A Report Compiled for the Mayor's Minimum Wage Advisory Committee

Michael Havlin

The Minimum Wage, a Brief History in the United States:

Nearly a decade after the financial crisis of 2007 the average worker has yet to experience significant economic recovery. The stagnation has forced many Americans to confront an omnipresent trend in our economy: ever growing inequality.

One tool that's been implemented over the last century to combat inequality and promote prosperity has been the minimum wage. Before the federal government established a minimum wage, it was in fact the states that lead the charge for a minimum wage. The first of which was Massachusetts in 1912 (NELP). Most of these early state minimum wage laws, like many state labor laws passed before the great depression, were struck down by conservative courts, though (Nuemark and Wascher,). In 1938, despite a few contentious judicial challenges, the Fair Labor Standards Act established the first federal minimum wage of 25 cents per hour, or $4.00 in 2013 dollars (US DOL, NELP, Neumark and Wascher).

During the first two and half decades following the establishment of the Fair Labor Standards Act "congress diligently approved regular increases in the minimum wage Act" which steadily increased the inflation adjusted (2013) wage to 10.56 an hour in 1968 (NELP, 2). High inflation in the late 60's and late 70's eroded much of this progress, and, unlike in the 40's and 50's, congress was reluctant to increase the wage; from 1938 to 1978 the longest period without an increase was only six years, while from 1978 to 2013 there were two instances in which the drought exceeded nine years (US DOL, NELP). Additionally, the minimum wage increases, measured by percent change, post-1978 were both much smaller nominally and inflation-adjusted comparted to the previous decades (US DOL). As a result, the federal minimum wage has lost 33% of its value since its peak in 1968 (NELP). The ratio of the federal minimum wage to the median wage, a useful comparative tool, was at an all-time high in 1968 of 55 percent (OECD). Today, the ratio is at a near low of 38% (OECD). Globally the minimum-median ratio has generally stayed within the 45-60% range, with France boasting one of the highest at 62% and the United States with one of the lowest (OECD).

In reaction to the lack of responsiveness by the federal government states have taken responsibility, as they did in the early 20th century, to preserve the minimum wage's value. Through the 80's, 90's, and 2000's over half of US states have, at some point, established a minimum wage that exceeded the federal minimum wage (CEPR, Soon). State minimum wages that exceed the federal rate range from 7.40 in Michigan to 9.32 in Washington (NELP). Similar to the federal government's response to the great depression in 1938, states have collectively fought recent stagnation and instability with wage hikes; on January first of 2014 there were 13 states who lifted the minimum wage further in excess of the federal wage, and several states will be implementing wage increases in the next few years, the most notable of which is $11 in Massachusetts (NELP).

A more recent trend that has evolved in response to the state success with wage hikes has been an increased effort to enact local minimum wage laws (Soon). As of March of 2014 there were five municipalities with local minimum wage laws, four county laws, and two pending municipal laws in Seattle and Richmond CA (Reich). Additionally, a number of municipal wage increases appear to be imminent. Two municipalities of which there is robust research is San Francisco and Santa Fe who, as pioneers in the method, first raised their minimum wages in 2004 (CEPR). Municipal wage increases have been enacted in a variety of forms, ranging from strong no exemption rates like in Albuquerque to the most recent of Seattle which has a plethora of exemptions, phase-ins, and relief valves (Reich, BDN).

Overview of the Recent Controversy Surrounding the Minimum Wage:

The minimum wage has naturally been a hot button issue among politicians and economist over the last century. A seminal book released in 1995 titled *Myths of Measurement: The New Economics of the Minimum Wage* by David Card and Alan Krueger sparked a revolution in minimum wage economics and reinvigorated the dispute between the economists on opposing sides of the issue (CEPR). The book and subsequent debates spawned a rich body of literature and economics that uses empirical evidence and new theories to discuss the minimum wage known as "New Minimum Wage Research (CEPR, 3)."

The majority of the research reveals that there is no statistically significant evidence to show job losses caused by minimum wage increases (CEPR). In fact, even the prominent studies that show negative employment effects admit that much of the evidence supporting employment losses is statistically insignificant (Neumark and Wascher). Statistically insignificant evidence means that changes in employment, either positive or negative, are so small that it is impossible to know whether employment actually changed or not. Several meta-analysis, which aggregate dozens of statistical studies, have been done over the last two decades on the wide and rich spectrum of minimum wage employment effects; the results of these meta-analysis reveal that the distribution of employment effects is concentrated closely to a zero, many slightly above zero, and many slightly below, but almost all statistically insignificant (CEPR, Nuemark and Wacher).

Despite the majority of research showing that there is no empirical basis to support disemployment claims there is still a significant portion of the political and economic spectrum that assert there will be catastrophic repercussions to a wage floor. Most of this conjecture comes from theoretical disagreements regarding how labor markets function. Economists who claim employers will be forced to make negative adjustments, like layoffs, cuts to benefits, or higher prices, view the labor market as an efficient "nexus of contracts" that is always in equilibrium (Osterman, CEPR, McLaughlin). Refuting the efficient labor market hypothesis are economists who throw out the rational economic models for models that borrow concepts from sociology, psychology, behavioral economics, and organizational behavior, and in doing so show that businesses are vulnerable to a large number of frictions, tendencies, and imperfect competitions that prevent them from setting an efficient market wage (CEPR, McLaughlin, Mcntyre). The evidence suggests that latter group, known as intuitionalists, are correct.

Issues and Results Surrounding Municipal Increases:

<u>Legal aspects:</u>

A concern for many cities considering its own minimum wage is the legal feasibility of the ordinance. Although most legal scholars argue that "cities may regulate minimum wages under their local home-rule authority to enact legislation to safeguard the health, safety and welfare of their communities (Soon, 6)," there is some case law where ordinances have been struck down. Although one of the first municipal ordinances, in New York City, was struck down, more recent rulings have disagreed with the 1962 New York City case.

In 1962 New York City passed a municipal minimum wage that exceeded the state wage by 25%. In 1964 the supreme appellate court of New York State determined that the municipal minimum wage was inconsistent with state law (Wholesale Laundry Board of Trade V. City of New York). This precedent was later used in the late 60's to justify ruling against a minimum wage ordinance in Baltimore; however, an appellate court would eventually reject its lower court's and parts of New York's reasoning (Sitnick v. City of Baltimore). The appellate court thought parts of the New York court's argument were legitimate because of state law specific to New York. The appellate court rejected the lower court's ruling using arguments regarding home-rule authority, and the argument that the local ordinance was using "concurrent powers" that amplified, not superseded, the state law (Sitnick v. City of Baltimore).

In New Mexicans for Free Enterprise v. City of Santa Fe, the most recent case regarding municipal wage ordinances, the appellate court cites Sitnick v. Baltimore in a robust and detailed defense of municipal wage ordinances, confirming the lower court's judgment that "The City has the power to set a minimum wage for private employers that is higher than that mandated by the state. The ordinance does not conflict with state law and is not otherwise unconstitutional (New Mexicans for Free Enterprise V City of Santa Fe)."

In the rulings supporting the city's right to a minimum wage ordinance the courts frequently cited Home-rule authority, which is the right of a municipality to "enact laws that are municipal in nature and that do not frustrate or run counter to a state law (Maine Municipal Association)." In 1969 the state of Maine amended the constitution to include a "strong" and "broad" home rule law (Main Municipal Association). According to the state constitution any law that is not in conflict with an existing state law, and is not specifically prohibited by the legislature, may be passed by municipalities (Maine Constitution Article VIII). Enforcement of a local minimum wage in Portland would have to be provided locally, as the Maine Department of Labor has already acknowledged that it will not recognize Portland's minimum wage over the state minimum wage when an infraction is reported (Title 26 chapter 7, Maine DOL).

<u>Santa Fe and San Francisco: policy and results.</u>

In 2004 Santa Fe and San Francisco became the first municipalities to implement local wage ordinances since Washington in 1995. Santa Fe, who successfully defended itself in court, by municipal legislation, and San Francisco by ballot initiative (Reich). Over the ten years that the ordinances have been in effect a robust amount of research has been developed. Santa Fe, taking an approach more similar to Seattle, implemented a series of exemptions while San Francisco, similar to Portland's plans, passed a strong ordinance with little to no exemptions (Reich).

Santa Fe passed an ordinance in 2003 that had a mixture of phase-ins and exemptions. Santa Fe's ordinance went into effect immediately for all for-profit businesses exceeding 25 employees. This initial hike was a substantial 80% jump from $5.15 to $8.50 (Reich). The wage hike increased the minimum wage to median wage ratio from 36%, similar to the national average, to 55% (BLS). By 2008 a full phase in for all businesses and workers (besides tip-workers who would continue to be paid 2.13) to $9.50 had been completed. When the phase-in was completed the minimum-median ratio had risen to 64% (BLS, Reich). The wage was indexed to inflation, and now, after 5 years of inflation adjustments the minimum wage is at 68% of the median wage, a ratio higher than all but one nation (BLS, Reich).

San Francisco's wage increase was not as steep as Santa Fe's, but the breadth of the increase was wider. San Francisco's initial increase was a more modest increase from 6.75 to 8.5, or 26% (Reich). The 26% hike raised the ratio of minimum-median from 39% to 42%, much more mild than Santa Fe's increase (Reich, BLS). San Francisco, though, did have a more aggressive policy on who would be covered. Unlike Santa Fe, San Francisco did not provide an exemption for tipped-workers, meaning that any tips collected would be income in addition to the minimum wage (Reich). Additionally, although San Francisco did phase in small businesses and non-profits like Santa Fe, the phase in period was only one year, and by 2006 all employees had a minimum wage of 8.82, or 60% of the median wage (Reich, BLS). Overall the two year increase from 6.75 to 8.82 represented a 31% increase.

The results of these two municipalities' minimum wage laws are very encouraging. Overall, several empirical studies on the two cities have concluded that "no statistically significant negative effects on employment or hours" have occurred and "that minimum wage mandates raise the incomes of low-wage workers (Michael Reich, Ken Jacobs, and Annette Bernhardt)." Three independent analysis, one done by the Institute for Research on Labor and

Employment, one by the Center for Economics and Policy Research, and one by the Institute of Industrial Relations, all found that employment in the cities tracked consistently with employment in surrounding counties and with reference cities (Arindrajit Dube, Ethan Kaplan, Michael Reich and Felix Su, John Schmitt and David Rosnick, Arindrajit Dube, T. William Lester, and Michael Reich). While, contrary to employment, wages for the tenth percentile in San Francisco did not track with surrounding counties, increasing by a total of 5% from 2003-2012, despite the recession, as the surrounding counties decreased by 7% (Michael Reich, Ken Jacobs, and Annette Bernhardt). Similar results were found in Santa Fe where wage increases were consistently and statistically significantly in excess of reference cities, while there were no statistically significant decreases in employment (John Schmitt and David Rosnick). Furthermore, no statistically significant negative adjustments to employee compensation in any form (health benefits, etc.) can be found (Michael Reich, Ken Jacobs, and Annette Bernhardt).

Prior to the wage increases in San Francisco and Santa Fe, there were many businesses that warned and threatened that they would be forced to close shop and move elsewhere (Arindrajit Dube, Ethan Kaplan, Michael Reich and Felix Su). Fortunately, the catastrophic predictions did not hold. In Santa Fe there was no statistically significant difference in business closures compared to the surrounding counties, and in San Francisco there was actually a statistically significant decrease in business closures as compared to surrounding counties (Arindrajit Dube, Ethan Kaplan, Michael Reich and Felix Su).

There are a variety of reasons that explain why employers responded so well to the price floor, both on the cost side, and the revenue side. One significant reason on the cost side of the equation is that the high wages reduced employee turnover. A study by the Institute for research on Labor and Employment found that "for a 10 percent minimum wage increase, the turnover rates decline by around 2.0 percent for teens and 2.1 percent for the restaurant workforce (Arindrajit Dube, T. William Lester, and Michael Reich)." Although 2% sounds minor, a variety of analysis on businesses shows that the total costs of finding a replacement employee range from $1300 to $4800 for low wage workers, and up to $8000 for administrative positions (Hinkin and Tracey, Blake, Boushey and Glynn). Additionally, employers were able to find operational efficiencies after the wage increase that included higher employee morale and work ethic, better customer service, and lower absenteeism (Michael Reich, Ken Jacobs, and Annette Bernhardt). Overall, several analysis have found that total costs for businesses who experienced a significant minimum wage hike increased by only one to five percent (Michael Reich and Amy Laitinen, Sonn, Pollin).

Unfortunately there has been little ex-post empirical analysis on the wage increases effects on consumption expenditure and business sales; however, there are a number of credible economists, with strong theoretical foundations, who use statistical approaches to estimate an increase in expenditure, providing economic stimulus to the region (Michael Reich, Ken Jacobs, and Annette Bernhardt). The theoretical reasoning behind predicting an increase in consumption is that, since employment isn't affected, productivity increases, and the amount of income allocated to a group with a high propensity to consume (low wage workers spend close to 100% of income) increases, aggregate demand for goods and services will increase. The increase in consumption and business revenues can be very substantial; a 2003 estimate by a regional development economist estimated that San Francisco's 26% increase in the minimum wage would lead to a direct local injection of 45 million dollars in additional expenditure

(Lantsberg). Another method that could increase revenues in response to an increase in the minimum wage is inflation; however, there was no statistically significant difference between San Francisco's inflation rate and the inflation rate in surrounding counties, and a variety of studies on other areas have confirmed that substantial increases in the minimum wage result in only negligible prices increases (Michael Reich, Arindrajit Dube, and Suresh Naidu, Michael Reich, Ken Jacobs, Annette Bernhardt).

Overall the two minimum wage ordinances in Santa Fe and San Francisco have been tremendously successful and should serve as templates and examples to other cities around the country considering a municipal minimum wage. Municipal minimum wages are still highly experimental in the United States, but the results from San Francisco and Santa Fe demonstrate a range of feasibility. Results and data from the more recent ordinances in San Jose, Albuquerque, and Seattle will stimulate additional analyses.

Enforcement:

The various types of enforcement implemented by the five municipalities who have adopted local minimum wages vary significantly but fall into two broad categories; there is Santa Fe, San Francisco, and San Jose who share responsibility and duty with workers in enforcement, and Washington DC and Albuquerque who have left enforcement up to individual workers and the judicial system (Michael Reich, Ken Jacobs, and Annette Bernhardt, Dave Jamieson, San Jose DPW, John Schmitt and David Rosnick).

San Francisco, with the most aggressive enforcement mechanisms, administers the minimum wage with extensive advertising and education before the ordinance took effect, and bureaucratic and judicial processes after it took effect. San Francisco was able to utilize its Office of Labor Standards Enforcement, which had already been created to enforce other local labor laws, to enforce the minimum wage ordinance. The OLSE ultimately had to hire 7 additional contractors to enforce the ordinance for the 611,000 workers in the city, allocating 87,285 workers per officer (Michael Reich, Ken Jacobs, Annette Bernhardt). San Francisco's OLSE has proven to be much more strict and effective than state and federal enforcement, fulfilling the roles of investigator, enforcer, and legal counsel of those wronged. If the OLSE finds that an infraction has been found, penalties range from fines and judicial remedies, to revocation various permits and licenses necessary to do business in the city (Michael Reich, Arindrajit Dube and Suresh Naidu, Michael Reich, Ken Jacobs, Annette Bernhardt). Overall, the portion of OLSE's budget that goes towards the minimum wage enforcement and education cost 1.4 million dollars per year, and it returns roughly half a million dollars a year to workers (Michael Reich, Ken Jacobs, Annette Bernhardt).

San Jose, like San Francisco, used an existing administrative apparatus to enforce the minimum wage. San Jose's Office of Equality Assurance, an office created to enforce anti-discrimination ordinances and other labor laws, is charged to "investigate suspected violations where there appears to be a reasonable basis for the complaint" and then file a lawsuit on behalf of the workers if it appears there was a violation (San Jose DPW). The office also educates employers by mailing out information to all businesses when there is minimum wage change. Largely, the OEA operates passively and only when a complaint is made, but it does require that employers keep extensive payroll information for four years in case the OEA needs to investigate (San Jose CMO). If a worker decides to seek legal action independently, he or she is entitled to recovery of legal fees and, in addition to lost wages, $50 per day that he/she was underpaid (San Jose DPW).

Santa Fe does not do a significant amount of education or investigation, but the ordinance does have some hefty punishments for violation (Dave Jamieson, Santa Fe CS). The city ordinance makes it's a crime to pay sub-minimum wages, potentially punishable with a prison sentence (Santa Fe CS). The ordinance also stipulates that an individual seeking civil remedies is entitled to receive "twice the amount of any wages due, injunctive relief, and reasonable attorney's fees and costs (Santa Fe CS)."

Contrary to Santa Fe, San Jose, and San Francisco, there is Washington DC and Albuquerque who have done essentially nothing to administer and enforce their minimum wage ordinances, which ultimately made the ordinances somewhat ineffective (Dave Jamieson, John Schmitt and David Rosnick). Although recently Washington DC has passed amendments to its minimum wage law that set up penalties and enforcement mechanisms, the original ordinance was so toothless that the "share of workers earning below the new minimum wage actually increased after the law went into effect. (DC.gov, John Schmitt and David Rosnick, 24)." In Albuquerque, where the Mayor has said it's not the city's responsibility to enforce the minimum wage law, and the city's attorney has said the city will not get involved with private employers and employees contracts, employees being paid sub-minimum wages is a common occurrence (Dave Jamieson). Minimum wage workers simply don't have the money or employment security to seek legal remedies on their own (Chavez).

Is a Rapidly phased in 10.68 the 'right' thing for Portland?

A low wage worker named Katie recently met with the Mayor's Minimum Wage Advisory Committee and explained how impossible it is to make it on the minimum wage. Katie, who works a few dollars over the minimum wage, explained that she just barley scrapes by on her wage and "can't imagine how people, especially those with children, can get by" on the minimum wage. Drew Joy, a director of the Southern Maine Workers Center, also explained how minimum and low wage workers have been forced out of the city because of unaffordable rents, taking with them their purchasing power.

These testimonies are indeed representative of a minimum wage worker's experience, and are certainly not hyperbolic, as the Massachusetts of Institute of Technology has calculated that a minimum wage worker in Portland would need to work 54 hours a week, every week, just to support themselves (MIT). A single mother with one child, a common demographic in the infamously low wage restaurant industry, would have to work an unfathomable 121 hours a week at minimum wage just to make ends meet (MIT, White House, and National Women's Law Center). The restaurant industry is one of the largest employers in Portland, employing approximately 15% of the labor force, and is also one of the lowest paying, with 25% of workers making less than $8.50 per hour; a single mother working in the restaurant industry is likely a common demographic in Portland. Approximately 10% of the Greater Portland labor force works within $1.50 of the minimum wage (Bureau of Labor Statistics). MIT's living wage database, last updated in 2010, calculates a living wage for an independent adult in Portland to be $10.03 per hour, or roughly $10.60 in today's dollars. Approximately 16% of the labor force in the greater Portland area earns less than the $10.60 an hour (Bureau of Labor Statistics, University of Illinois Chicago).

Portland's cost of living, and by definition its living wage, is very similar to some of the largest cities in United States. According to MIT, Portland actually has a higher cost of living than Seattle, by about 4% and Albuquerque by a substantial 18%. Santa Fe, a city about the size of Portland, also has a cost of living lower than Portland by about 7%. The largest US city, New York City, has a cost of living only 20% greater than Portland. San Francisco and San Jose both have cost of livings that are substantially higher than Portland's, with San Francisco 20% higher, and San Jose at 15%. Although Portland has a cost of living comparable to these major cities, it has a minimum wage substantially lower than all of them. Portland's current minimum wage is 70% of the living wage, while the average ratio in the cities that have passed minimum wage laws is 90% with a high of 108% in Santa Fe (MIT, Michael Reich, Ken Jacobs, and Annette Bernhardt).

A rapidly phased in $10.68 would bring the minimum wage in line with the cost of living in Portland, and would do so in a way that is within reach of Santa Fe and San Francisco, the two most successful local wage experiments. The first potential increase to $9.50 would represent a 26% increase in the minimum wage, exactly the proportion of San Francisco's first increase, and would set the minimum-living wage ratio at 90%, equal to the average ratio of the other municipal minimum-living wage ratios. The 26% increase is also approximately equal to the average first increase of all the municipalities who established minimum wage laws. The potential initial increase would raise Portland's minimum-median ratio from 43% to 55%, a ratio that would be exactly equal to Santa Fe's after its initial increase. The final potential increase, tentatively planned for January 2017, to $10.68 would put the minimum wage roughly equal to a living wage, and approximately 60% of the median wage, which is on par with Santa Fe's ending ratio. After 2017, the potential ordinance would stipulate the minimum wage be increased at the rate of inflation every year, effectively making Portland's minimum wage a living wage indefinitely.

As mentioned above the establishment of a minimum wage that is on par with a living wage would come to fruition in a way that isn't unprecedented. Although the municipal minimum wage is still in a highly experimental phase, there are a number of cities who have made the first leap to serve has examples and templates. Although not useful for precision's sake, using a multi-variant linear regression model can be used to compare Portland with the other cities and provide a correlating minimum wage. Using the variables cost of living, median wage, population, minimum wage before increase, and whether or not there will be exemptions, a multi-variant linear regression model calculates that an initial increase of $10.04 correlates with Portland's variables, which is in the same ballpark of the potential initial increase of $9.50.

San Francisco demonstrates that requiring tipped workers to be paid the full minimum wage by their employer is feasible; however, San Francisco did not suddenly raise the tipped wage from 2.13 an hour (federal rate) to its 2004 minimum wage of 8.50 overnight. Tipped-workers in San Francisco had been paid the full minimum wage long before it established a minimum wage in 2004, as this was the law in California (DOL, Reich). The San Francisco minimum wage law increased tipped workers by the same proportion of regular workers, 26%

(Reich). Requiring employers in Portland to pay the full wage even for tipped workers would represent a 153% wage cost increase for businesses that rely on tipped workers. A jump this large is unprecedented and could very likely push the boundaries of what is possible without causing disemployment effects; however, not increasing the tipped-wage at all could make the minimum wage ordinance somewhat ineffective given the percentage of restaurant workers in Portland. Additionally, given the nature of the restaurant industry, the low wages paid, and the high proportion of women working in the industry, it is a labor market most in need of a wage increase.

As illustrated by minimum wage experiments in other cities, establishing enforcement mechanisms is an important step for an ordinance's success; however, the fiscal impact of a bureaucratic enforcement agency may make the ordinance politically infeasible. Additionally, because of Portland's small size, an organization tasked with enforcement may simply be unnecessary. To ensure compliance, policy makers should work to find a creative solution to enforce the ordinance that would not increase the city's budget.

Conclusion:

With the federal government in gridlock, the real value of the minimum wage at a near all-time low, the high cost of living in Portland, numerous examples of successful municipal minimum wage laws, a preponderance of evidence refuting negative economic costs, and Portland's progressive culture, the city of Portland should join the other cities and establish a municipal minimum wage. To determine precisely what the optimal wage should be is impossible; however, given the evidence, a phased in 10.68 would provide real benefits to workers without hurting the overall economy. Establishing a municipal minimum wage in Portland is a crucial first step towards building a local government that can continue to guide its citizens and economy in the presence of a gridlock at the State and Federal levels.

Wage and Payment

AN ORDINANCE relating to wages and employment in the city of Portland; adding a new chapter, 33, to Portland's municipal code and establishing new minimum wage rules in the city applicable to all those employed within the Portland.

WHEREAS, income and wealth inequality has reached levels not seen since the Great Depression

WHEREAS, the federal government is in a political gridlock that makes federal action on the minimum wage impossible.

WHEREAS, the real value of the minimum wage has fallen to levels not seen in over fifty years.

WHEREAS, the cost of living in Portland has increased to be on par with major U.S. cities where the minimum wage is much higher.

WHEREAS, M.I.T. has calculated that for a single adult to support themselves in Portland at the current minimum wage he or she would need to work over 50 hours a week

WHEREAS, rising housing costs are pushing low wage workers out of the city

WHEREAS, the majority of empirical economic research has shown that increases in the minimum wage do not increase unemployment or consumer prices

WHEREAS, other cities in the United States have passed local minimum wage laws which have proven immensely successful, increasing wages for many while not affecting unemployment.

WHEREAS, the proposed minimum wage is within the range of feasibility demonstrated by Santa Fe and San Francisco.

WHEREAS, the Mayor's Minimum Wage Advisory has met several times with business, non-profit, labor, and community leaders and has determined the proposed plan of action best represents the wants and needs of all stakeholders in the Portland community.

WHEREAS, Portland is the economic center of Maine.

NOW, THEREFORE

LET IT BE ORDAINED BY THE CITY OF PORTLAND

The city of Portland adds a new chapter,33, titled Minimum Wage Ordinance to the City of Portland, Maine Code of Ordinances.

Chapter 33 sections:

33.1: Authority
33.2: Definitions
33.3: The Wage
33.4 Treatment of Tipped-Workers

33.1

Authority: The city of Portland has the authority to enforce a local minimum wage under Article VIII, Part Second, Section One of the Maine State Constitution.

33.2

Definitions:

A: Regular Employee: Employee is any person who performs any labor who can not be defined as a contractor or agent under federal law, and who does not collect more than $30 per month in tips.

B: Tipped-Employee: A tipped-employee is any person who performs any labor who can not be defined as a contractor or agent under federal law, and who does collect more than $30 per month in tips.

C: Employer: An employer is any person, persons, business, non-profit, franchise, legal entity, and/or institution located within the city of Portland who directly, or indirectly through other persons including temporary employment agencies, exercise control over the wages, hours, working conditions, and/or working location of an individual who performs labor who is defined as an employee under federal law.

D: Regular-Minimum-Wage: The regular-minimum-wage is the lowest dollar value that an employer may legally pay a regular-employee on an hourly basis; the regular-employee is always entitled to be paid at the very least the regular-minimum-wage.

E: Tipped-Minimum-Wage: The tipped-minimum-wage is the lowest dollar value that an employer may legally pay a tipped-employee on an hourly basis; the tipped-employee is always entitled to be paid at the very least the tipped-minimum-wage.

F: City Limits: City limits is defined as the physical boundaries of the municipality of Portland

G: Direct Employer: The entity to which an employee is most immediately employed by. For example, the direct employer of an individual who works for a franchised corporation would be the local franchise establishment that the employee performs labor for.

33.3

The Wage:

The regular-minimum-wage discussed in this section 33.3 shall apply to all hours worked in Portland by regular-employees within City limits, and to all hours worked by an employee whose direct employer's location is within City limits.

*On January 1st 2015, the regular-minimum-wage for regular-employees shall be established as

$9.50   per hour for all regular employees.

*On January 1st 2016, the regular-minimum-wage for regular-employees shall be raised to

$10.10 per hour for all regular employees.

*On January 1st 2017, the regular-minimum-wage for regular-employees shall be raised to

$10.68 per hour for all regular employees.

*On every January 1st following January 1st 2017, the regular-minimum-wage for regular-employees shall increase by the Consumer Price Index for All Urban Consumers (CPI-U) of the previous most up to date 12 months as reported by the Bureau of Labor Statistics. The sum of the most recent 12 months for which there is a calculated CPI-U reported by the BLS will be the rates to define the increase in the regular-minimum-wage. For example, if the BLS reports that every month from January 2017 to December 2017 experienced a .1% price increase, then the increase in the regular-minimum-wage would be 1.2%

33.4

Tipped-employees:

The tipped-minimum-wage discussed in this section 33.3 shall apply to all hours worked in Portland by tipped-employees within City limits, and to all hours worked by an employee whose direct employer's location is within City limits.

*For tipped-employees the wage shall always be at least consistent with state law. Additionally, in a given pay period if the tipped-employee does not receive tips that sum to an amount high enough where she/he is effectively being paid at least the regular-minimum-wage, then the tipped-employee's employer must pay her/him the difference so that the tipped-employee receives at least the regular-minimum-wage.

State Increases Effective 1/1/2014				
Region	Previous Wage	New Wage	% Increase	Cost of Living or Legislation?
Arizona	$7.80	$7.90	1%	Cost of Living
Colorado	$7.78	$8.00	3%	Cost of Living
Connecticut*	$8.25	$8.70	5%	Legislation
Florida	$7.79	$7.93	2%	Cost of Living
Missouri	$7.35	$7.50	2%	Cost of Living
Montana	$7.80	$7.90	1%	Cost of Living
New Jersey	$7.25	$8.25	14%	Legislation
New York*	$7.25	$8.00	10%	Legislation
Ohio	$7.85	$7.95	1%	Cost of Living
Oregon	$8.95	$9.10	2%	Cost of Living
Rhode Island*	$7.75	$8.00	3%	Cost of Living
Vermont*	$8.60	$8.73	2%	Cost of Living
Washington	$9.19	$9.32	1%	Cost of Living

Upcoming State Increases				
Region	Current Wage	Date of change	Future Wage	% increase
California	$9.00	1/1/2016	$10.00	11%
Connecticut*	$8.70	1/1/2015	$9.15	5%
Delaware	$7.75	6/1/2015	$8.25	6%
Hawaii*	$7.25	1/1/2015	$7.75	7%
Maryland*	$7.25	1/1/2015	$8.00	10%
Massachusetts*	$8.00	1/1/2015	$9.00	13%
Michigan	$7.40	9/1/2014	$8.15	10%
Minnesota*	$8.00	8/1/2015	$9.00	13%
New York*	$8.00	12/31/2015	$8.75	9%
Rhode Island*	$8.00	1/1/2015	$9.00	13%
Vermont*	$8.73	1/1/2015	$9.15	5%
West Virginia*	$7.25	12/31/2014	$8.00	10%

Municipal Minimum Wages					
Region	Original Wage	Date of Initial Increase	First increase	% increase	Current wage
Albuquerque*	$5.15	1/1/2008	$6.75	31%	$8.60
Richmond, CA	$9.00	1/1/2015	$9.60	7%	$9.00
San Francisco*	$6.75	2/24/2004	$8.50	26%	$10.74
San Jose*	$8.00	3/11/2013	$10.00	25%	$10.15
Santa Fe*	$5.15	6/25/2004	$8.50	65%	$10.66
Washington DC	$6.15	4/8/2005	$6.60	7%	$9.50
Seattle**	$9.32	1/1/2015**	$11.00	18%	$9.32

Potential Municipal Wages				
Region	Current Wage	Potential Date	First Increase	% increase
Chicago	$8.25	1/1/2018	$13.00	58%
Los Angeles	$9.00	3/1/2015	$15.00	67%
Oakland	$9.00	3/1/2015	$12.25	36%
Portland, ME*	$7.50	1/1/2015	$9.50	27%
San Diego	$9.00	1/1/2015	$9.75	8%

*Single asterisk indicates that the initial increase in the minimum wage is part of a phase in plan that will ultimately put the ending minimum wage in the $10 to $12 range, typically followed by inflation adjustments

**Seattle's passed an ordinance that will slowly raise the minimum wage to $15 an hour over 7 years in a triaged fashion that will start with large business going to $11 in 2015, and ending with small business paying $15 an hour in 2021.

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Local Minimum Wage Laws: Impacts on Workers, Families and Businesses

Report prepared for the Seattle Income Inequality Advisory Committee

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Contents

Executive Summary 1

1. Introduction 4

2. Profile of existing local minimum wage laws 4

3. How San Francisco enforces its minimum wage law 7

4. The research literature on minimum wage effects 10

5. The effects of minimum wage laws on workers and families 10

6. The effects of minimum wage laws on businesses 17

7. Conclusion 26

References 28

Figures

Tables

Executive Summary

As cities and counties across the country increasingly debate whether to establish their own minimum wage laws, policymakers are understandably asking a host of questions. How are existing laws designed? What do we know about the impacts of local wage mandates on workers and their families? What does research tell us about the effect of local wage mandates on employment, and, in particular, do businesses move outside city or county borders in response? In this report, we address these and related questions.

Existing local minimum wage laws

- Nine localities in the United States currently have enacted minimum wage laws: Albuquerque, NM; Bernalillo County, NM; Montgomery County, MD; Prince George's County, MD; San Francisco, CA; San Jose, CA; Santa Fe, NM; Santa Fe County, NM; and Washington DC. (Richmond, CA, just voted to raise its minimum wage to $12.30 an hour by 2017, and a final vote is pending to pass the law.)
- Current mandated wage levels range from $8.50 in Bernalillo County to $10.74 an hour in San Francisco. (New wage mandates in Washington DC and Santa Fe, Montgomery, and Prince George's Counties go into effect later this year.)
- On average, the existing local minimum wage laws have mandated total wage increases of 41.4 percent, many of them in multiple steps and the majority indexed to inflation thereafter. Localities with larger increases have been more likely to implement them in several steps. Across the localities, the average per-step minimum wage increase is 16.7 percent.
- The nine laws are similar in covering the large majority of work that is performed within the boundaries of their cities or counties. San Francisco delayed coverage of nonprofits and small businesses (less than 10 employees) for one year. Santa Fe initially exempted small businesses but later amended its law to cover all establishments.
- Two of the nine laws (San Francisco and San Jose) follow their state's law in treating tipped workers the same as non-tipped workers, maintaining a uniform minimum wage for both groups. The other seven laws follow their states' laws in maintaining a lower minimum wage for tipped workers (even as some increased the base wage for tipped workers). Several of the laws make similar provisions for commissioned workers.

How San Francisco enforces its minimum wage law

- San Francisco uses a variety of high-impact enforcement and education strategies to ensure that the city's minimum wage law has its intended effect.

- From the beginning of 2004 to mid-2012, San Francisco's enforcement agency processed 616 worker complaints related to the minimum wage and recovered $5.8 million in back wages on behalf of 3,004 workers. These are higher benchmarks than typically achieved by state and federal enforcement agencies.
- San Francisco's Office of Labor Standards Enforcement assigns 7.5 compliance officers to minimum wage enforcement on behalf of approximately 611,000 people employed in the city. These officers share responsibility for enforcement of the city's paid sick leave law as well.
- Approximately $979,000 supports the 7.5 positions devoted to minimum wage enforcement. In addition, $462,125 is contracted to community organizations that provide education, outreach, and case referrals, largely focused on minimum wage violations.

Effects of minimum wage laws on workers and families

- Researchers consistently find that minimum wage laws raise pay for workers at the bottom rungs of the labor market. These increases include both directly affected workers (those earning between the old and the new minimum wage) as well as those indirectly affected (those earning above, but near, the new minimum wage).
- Raising the minimum wage also pushes up the wage floor relative to the median wage, thereby reducing pay inequality.
- Researchers consistently find that the affected workers are largely adults and disproportionately women and people of color.
- New research on the effect of minimum wage increases documents important reductions in family poverty rates and enrollments in public assistance programs, such as food stamps.
- Researchers have not estimated the amount of economic stimulus actually created by the new spending power of low-wage workers after minimum wage increases. We do know that low-wage workers and their families are likely to spend a significant portion of those increased earnings.

Effects of minimum wage laws on businesses

Economists have increasingly recognized that raising the minimum wage does not automatically mean that employment will fall. Increased labor costs can be absorbed through a variety of other channels, including savings from reduced worker turnover and improved efficiency, higher prices, and lower profits. Modern economics therefore regards the employment effect of a minimum wage increase as a question that is not decided by theory, but by empirical testing.

- Labor economists continue to debate the actual impacts of the minimum wage on employment and hours. We discuss in our assessment the most rigorous studies and offer a non-technical explanation of the nature of the disagreements in the research literature.
- To date, three rigorous studies have examined the employment impacts of San Francisco's and Santa Fe's local minimum wage laws. Each finds no statistically significant negative effects on employment or hours (including in low-wage industries such as restaurants).
- A larger body of economic research investigates the effects of state and federal minimum wage increases. These studies compare employment trends for states or counties that have different minimum wages. The best studies make comparisons to nearby states or counties to control for regional economic trends. These studies also find no statistically significant negative effects on employment or hours at an aggregate level or for low-wage industries such as restaurants and retail stores, or for specific groups of workers such as teens. These studies also do not find substitution effects (such as shifts in hiring away from black and Latino teens).
- Studies of the impact of minimum wage increases on restaurants' operating costs find that an increase of 10 percent in the minimum wage increases operating costs by about 1 to 2 percent.
- Researchers find small one-time price increases in the restaurant industry (of about 0.7 percent following a 10 percent minimum wage increase), but not in other industries.
- Researchers find that increases in the minimum wage reduce employee turnover, translating into a reduction in direct costs (recruitment, selection, and training of new workers) and a reduction in indirect costs (lost sales, lower quality service, and lost productivity as the new workers learn on the job). Some studies have also identified additional benefits of higher wages, including improved morale, improved work performance, and reductions in absenteeism.
- Researchers have not found evidence that employers absorbed minimum wage increases by reducing health benefits or pensions.

In summary, our assessment of the research evidence indicates that minimum wage mandates raise the incomes of low-wage workers and their families, and that the costs to businesses are absorbed largely by reduced turnover costs and by small price increases among restaurants. That said, it is important to emphasize that existing research is necessarily limited to the range of minimum wage increases that have been implemented to date. While these studies are suggestive, they cannot tell us what is likely to happen when minimum wages are increased significantly beyond current local, state, or general mandates.

1. Introduction

As cities and counties across the country increasingly debate whether to establish their own minimum wage laws, policymakers are understandably asking a host of questions. How are existing laws designed? What do we know about the impact on workers and their families? What does research tell us about the effect of local wage mandates on employment, and in particular, do businesses move outside city or county borders in response?

In this report, we address these and related questions. We first provide an overview of the nine existing local minimum wage laws in the United States. We summarize their wage levels and policy design features, such as phase-ins, coverage and exemptions, and treatment of tipped workers. Our assessment is that, taken together, these laws represent a consistent public policy model that establishes strong local wage standards covering the overwhelming majority of work performed within city or county boundaries. We also provide a case study of how one city, San Francisco, has enforced its minimum wage law.

Economists agree that minimum wage laws have large positive effects on workers' pay and their families' living standards. Raising the minimum wage increases earnings for workers at the low end of the labor market, the majority of whom are adults. Women and workers of color benefit disproportionately. In addition, new research on the effect of minimum wage increases documents important reductions in family poverty rates. Moreover, low-wage workers and their families are often forced to rely on public assistance programs; new research on food stamps finds that raising the minimum wage reduces their reliance on this program.

We then review the economic research on the impact of minimum wage laws workers, families, and businesses. In our assessment, the weight of the evidence suggests that moderate minimum wage increases have insignificant to non-existent negative effects on employment and hours, reduce worker turnover and increase worker retention, and result in small, one-time price increases in heavily-affected industries, such as restaurants. We also explain how conflicting findings on the employment impact of the minimum wage can be traced to differences in the rigor of the research methods.

2. Profile of existing local minimum wage laws

In this section, we give an overview of existing local minimum wage laws in the United States. Currently, there are nine such laws, with the majority passed in recent years. In this group, we include minimum wage laws passed by cities or counties that broadly cover most businesses and workers within their jurisdictions. We do not include local wage mandates with narrow coverage, such as living wage laws restricted to city contractors or laws targeting airports or specific industries such as hotels. These are important policy models in their own right, but they are less relevant to assessing the economic impacts of local minimum wage laws that affect the large majority of employers and workers in a city or county.

We want to flag several important caveats. Given the short timeline for this report, we were not able to examine any regulatory interpretations of the laws; the below tables summarize statutory provisions. Similarly, we were not able to itemize provisions in the localities' respective state minimum wage laws that are implicitly followed by the city or county statutes. Finally, while we have done our best to be as accurate as possible in these tables, we are not lawyers and encourage verification by the City's legal staff.

Our overall assessment is that despite some variation in policy design, existing local minimum wage laws represent a consistent public policy model that establishes strong local wage standards and covers the majority of work performed within city or county boundaries.

The wage mandates

Table 1 provides an overview profile of the nine existing local minimum wage laws. (Richmond, CA, just voted to raise its minimum wage to $12.30 an hour by 2017, and a final vote is pending to pass the law.) Note that the table summarizes current laws. In Albuquerque, Bernalillo County, and Washington DC, those laws updated older existing laws.

Six of the nine laws were enacted by a legislative process. The San Francisco, Albuquerque, and San Jose laws were enacted using ballot measures. The gaps between the enactment dates and initial implementation dates range from two months to one year. Current mandated wage levels range from $8.50 in Bernalillo County to $10.74 in San Francisco. (The more recent wage mandates in Washington DC and Santa Fe, Montgomery, and Prince George's Counties shown in Table 1 are not yet in effect). Seven of the nine localities increase their wage floors annually according to changes in a consumer price index.

Table 2 details the wage increases mandated by each of the laws, showing the variation in policy design. In this table, we include both current laws as well as older laws that have been superseded.

Some localities established their minimum wage in one step, while others phased in their mandate. For example, San Jose established its minimum wage in 2013, raising it from the state minimum wage (of $8.00 an hour) to $10.00 an hour in one step. San Francisco adopted a hybrid model; it established its minimum wage in one step, going from $6.75 to $8.50 an hour in 2004, but delayed its mandate by one year for nonprofits and businesses with fewer than ten employees. Santa Fe combined those strategies, establishing its minimum wage in two steps (to $8.50 an hour in 2004 and $9.50 an hour in 2006) and initially exempting businesses with fewer than 25 employees, who were then covered in 2008.

Several localities recently updated their existing laws via new legislation or ballot initiatives. Washington DC's 2004 minimum wage law was implemented in several steps. It then passed a new law in 2014, at about the same time as neighboring Montgomery and Prince George's Counties. Albuquerque and Bernalillo County (Albuquerque's surrounding county) recently passed new ordinances superseding their older existing laws.

Table 3 summarizes the total mandated percentage wage increases for each of the nine laws, calculated to encompass all of the phase-in steps (these percentages do not include subsequent indexing to cost-of-living increases). Total increases range from a low of 13.3 percent in Albuquerque (2012) and Bernalillo County (2013) to a high of 84.5 percent in Santa Fe (2003).[1]

On average, the nine local minimum wage laws increased their wage floors by 41.4 percent. As Tables 1 and 2 show, many of those increases occurred in multiple steps, and seven out of nine indexed to inflation thereafter. In general, localities with larger increases were somewhat more likely to implement them in several steps. Across the localities, the average per-step minimum wage increase was 16.7 percent.

Coverage and exemptions

Table 4 summarizes the businesses that are covered/exempted under the nine local minimum wage laws. The laws are similar in covering the large majority of work that is performed within the boundaries of their cities or counties. The laws vary in the reach of coverage to outside businesses that perform work in the city or county and how that coverage is specified.

In addition, San Francisco delayed coverage of nonprofits and small businesses for one year. Santa Fe initially exempted small businesses from its 2003 law, but in 2007 amended the law to cover all establishments regardless of size (it continues to exempt nonprofits whose primary source of funding is from Medicaid waivers). Several of the localities exempt state and federal agencies to varying degrees.

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[1] The first Santa Fe increase, 65 percent, was followed by a smaller increase two years later. The large initial increase may overstate the impact of the law on wages. A small share of covered workers had wages at or near the minimum wage at the time of the increase (Pollin and Wicks-Lim 2005).

Table 4 also summarizes coverage and exemptions for workers. Several laws explicitly state that undocumented workers and various types of contingent workers (e.g., part-time and temporary agency workers) are covered. Groups of workers that are exempted by some localities include employers' family members; workers exempt under state minimum wage law; interns working for academic credit; workers enrolled in apprenticeship programs; persons working fewer than two hours a week in the city or county; and various other groups of workers.

Treatment of other forms of compensation

Table 5 summarizes treatment of tipped workers under the nine laws. Two of the nine laws (San Francisco and San Jose) follow their state's law and treat tipped workers the same as non-tipped workers, maintaining a uniform minimum wage for both groups. The other seven laws follow their states' laws in maintaining a lower minimum wage for tipped workers (even as some increased the base wage for tipped workers above the state level). These laws allow the employer to count the workers' tips in meeting the full minimum wage requirement (often called a "tip credit"). If a worker's tips do not suffice to meet the full minimum wage requirement, the employer must make up the difference. Several of the local minimum wage laws also make provisions for commissioned workers, along similar lines.

Finally, Table 5 lists provisions in a number of the laws pertaining to other forms of compensation. For example, three localities (Albuquerque, Bernalillo County, and Santa Fe) allow employers to include some or all of their payment of health benefits and childcare in the calculation of wages paid. Data are not available on the extent to which employers have made use of these provisions. In general, low-wage workers are less likely than higher-wage workers to have health coverage through an employer.

We were not able to find any references in the laws to how profit-sharing compensation systems should be treated in calculating hourly wages.

3. How San Francisco enforces its minimum wage law

In this section, we summarize an in-depth study of San Francisco's enforcement of its minimum wage law. Our summary draws from a more complete analysis by Dietz, Levitt, and Love (2014).

A. The Office of Labor Standards Enforcement

San Francisco's Office of Labor Standards Enforcement (OLSE), originally created to enforce the city's prevailing wage laws, expanded its scope as San Francisco passed new labor standards. After the city's minimum wage was passed by ballot initiative in 2003, four of five positions previously assigned to enforce the city's living wage law were reassigned to enforce the new minimum wage law. As of February 2014, 7.5 contract compliance officers are assigned to minimum wage enforcement on behalf of approximately 611,000 people employed in the city of San Francisco. Each of these compliance officers share responsibility for enforcement of the city's paid sick leave law as well.

B. Strategies for minimum wage enforcement

OLSE investigates minimum wage cases by engaging in company-wide investigations. When a worker files a complaint, either directly with the office or through one of the community partners under contract with OLSE, an officer interviews the employee first. The officer arrives at the employer unannounced; he or she then interviews the employer and other employees, audits payroll records, and reviews other relevant documents to determine if the employer violated the labor rights of the original claimant or any other employee. If the officer finds a violation, he or she develops a case against the employer on behalf of *all* employees whose rights were violated and sends a letter of determination to the employer. If the employer disagrees with the OLSE findings or simply ignores the letter, the office must initiate a formal hearing process, which can take months to complete.[2] However, such a hearing process can result in hefty additional fines for the employer. As a result, in most cases OLSE reaches a settlement with the employer without resorting to the lengthy formal process.

This strategy contrasts with the common state and federal enforcement practice of acting as an arbiter rather than investigator. In many cases, these other enforcement agencies' main role is to engage in reconciliation (often a phone call to the employer) or set up an informal settlement conference between the employer and the individual employee. The San Francisco strategy of investigating all labor standards and on behalf of all workers can be more time consuming, but it has a better chance of recovering full back wages for the worker. This strategy focuses on fixing business practices in the long-run, rather than fixing one-off issues quickly.

Other strategies that OLSE considers important for its effectiveness include:

[2] Subsequent laws were written such that employers must take action within 15 days if they disagree with OLSE's determination by filing a request for a hearing; otherwise OLSE's determination is final.

- *Engaging in education and outreach to employers and workers.* Posters announce the new inflation-adjusted minimum wage on public transport at the beginning of every year, and all city businesses with employees are sent the required notices for posting. All OLSE staff spend time responding to questions from hotlines and emails, and setting up meetings to educate workers and employers. Multilingual outreach and announcements are especially important given the linguistic diversity in San Francisco.
- *Building trust with workers.* The same officer handles a case from start to finish, building trust and ensuring that workers are not lost in the process. The office collects back-up contact information from a friend or relative, and has successfully maintained contact with and provided back wages to workers who have moved, even when they move across international borders.
- *Working with other departments.* OLSE has worked with the city and district attorneys' offices to prosecute particularly egregious labor standards violators. OLSE also works with the city's Department of Health, which conducts investigations and administrative hearings related to restaurant health permits. The threat of revoking a health permit has helped OLSE enforce existing agreements for back pay and to resolve disputes with intransigent employers engaged in negotiations with the office.

C. Measures of effectiveness

From the beginning of 2004 to mid-2012, OLSE received 616 worker complaints related to the minimum wage and recovered $5.8 million in back wages on behalf of 3,004 workers. In just 2011, OLSE opened 77 cases and collected $638,171 in back wages. While the amount collected in that year was not necessarily for cases opened in that year, this measure still provides a useful metric to compare to other jurisdictions. Wages collected per case opened in 2011 were $8,288, or $2,041 per claimant. In comparison, Washington DC collected $766 per claim, and California's Department of Labor Standards Enforcement (DLSE) collected $995 per case opened. Two factors explain OLSE's high average amount collected: (a) OLSE investigates on behalf of all workers and often ends up including more than the original worker(s) who filed the claim, and (b) in all but a handful of cases OLSE successfully recovered all of the back wages owed. In other enforcement offices, the amount of wages *due* often differs significantly from the wages *collected*.

Penalties may be levied against employers found to be in violation of minimum wage laws. To reach settlements with employers the office never negotiates away back wages, but may forgo penalties or recovering the cost of investigations. As a result, actual penalties collected are relatively low: about $310,000 in penalties have been collected for minimum wage and paid sick leave violations since FY 2008-09.

D. Fiscal cost to San Francisco

In FY 2013-14, the budget for OLSE totaled $3.7 million. This amount supports 19 positions and three professional services contracts, including one for web-based certified payroll reporting. However, the office is also tasked with enforcing a number of other labor standards beyond the minimum wage: for city contractors—prevailing wage, living wage and living health, sweat-free contracting, and the displaced worker protection act; for all employers—paid sick leave, a health spending requirement, and a family-friendly workplace ordinance. OLSE estimates that approximately $979,000 supports the 7.5 positions devoted to minimum wage enforcement—about $753,000 in salaries and benefits and $226,000 in overhead, not including clerical support. In addition to this cost, $462,125 goes to community organizations that provide education, outreach, and referrals to OLSE, largely focused on minimum wage violations.

4. The research literature on minimum wage effects

In the following two sections, we summarize the empirical evidence on the effects of minimum wage laws on workers, families, and businesses. Where possible, we highlight research on local minimum wage laws. However, since most of the existing local laws have been in place a short time, the data that are needed for rigorous research on the recent laws are not yet available. To date, rigorous economic impact studies exist only for San Francisco and Santa Fe (UC Berkeley researchers are currently studying the impact of San Jose's law). The San Francisco impact study (Dube, Naidu and Reich 2007, 2014) in particular stands out as well-designed and well-suited to informing the City of Seattle's Advisory Committee, given the many similarities between Seattle and San Francisco.

We also draw upon the much larger body of research on the impacts of state and federal minimum wage increases. Recent studies that compare adjacent counties from different states with different minimum wages are especially relevant. The findings from these studies speak directly to policymakers' concerns that businesses might relocate employment outside their city's borders in response to a local minimum wage law.

5. The effects of minimum wage laws on workers and families

The primary goal of raising the minimum wage is, of course, to raise the pay of low-wage workers. A broad consensus in the economic research literature agrees that minimum wage laws raise pay for workers on the bottom rungs of the labor market (for an extensive review, see Belman and Wolfson 2014). Researchers also consistently find that the affected workers are largely adults and disproportionately women and people of color. In addition, new research on the effect of minimum wage increases shows important reductions in family poverty rates, especially among working families. Finally, we review what is known about reliance on public assistance programs by low-wage workers and their families.

This section focuses on summarizing what we have learned about the effects of minimum wage increases on workers and families.

A. Impact on low-wage workers' earnings

In assessing the impact of a minimum wage increase on low-wage workers' earnings, it is important to keep two facts in mind. First, many low-paid workers earn wages somewhere above the old minimum wage level but below the new level. Consequently, not all workers who are directly affected by an increase will receive the full amount of that increase. Second, researchers have also documented a "ripple effect" from minimum wage increases in which employers give raises to workers who are earning above, but near, the new minimum wage. (Wicks-Lim 2006). As a result, it is not completely straightforward to estimate either how many workers benefit from minimum wage increases or the policy's impact on their earnings.

Evidence from local minimum wage laws

Dube, Naidu and Reich (2007) assessed San Francisco's minimum wage law when it was first implemented in 2004, using a before-and-after survey of restaurant employers in San Francisco and in nearby parts of neighboring Alameda County. They found that the average wage of workers at surveyed restaurants rose from $10.22 before to $11.01 after the increase, with pay rising twice as much among fast-food restaurants compared to table-service restaurants. They also found evidence that the increase compressed the wage distribution among restaurant workers by raising the bottom of the distribution (not by hurting pay for higher-wage workers). Before the policy, 49.7 percent of restaurant workers earned less than $8.50; afterward, only 5 percent did. The authors also tested whether compliance with minimum wage laws decreased after the law passed. They found no evidence of decreased compliance.

Jacobs and Reich (2014) recently conducted a longer-term assessment of San Francisco's minimum wage law. They estimate that 55,000 workers in the city receive higher pay because of the ordinance, amounting to a cumulative increase of $1.2 billion in wages in the ten years since the laws' inception. They also found additional evidence that the law had a significant impact on workers' earnings over time. As shown in Figure 1, the wages of San Francisco workers earning at the bottom of the distribution (the 10^{th} percentile) jumped in 2004, when the law was implemented. This wage, when measured to take account of inflation, did not change even during the recession that began in December 2007 because the city's minimum wage standard is indexed to inflation. By contrast, the 10^{th} percentile wage in the surrounding counties, without an indexed minimum wage, declined over that same time period.

Additional lessons can be gleaned from Santa Fe, the other city whose minimum wage law has been extensively studied. Pollin's (2004) detailed prospective study of the city's 2004 law estimated that 17,000 workers would be directly or indirectly affected and that the directly affected workers would see an average increase of $2,647 in annual earnings. In a more recent prospective study, Reich (2012) estimated that San Jose's minimum wage increase from $8 to $10 would lead to higher pay for about 69,000 of the city's 388,000-person workforce (18.9 percent).

Schmitt and Rosnick (2011) studied the wage impacts of both the San Francisco and Santa Fe laws. These authors found that wages increased in a range of low-wage industries in both cities.[3] In San Francisco, for example, the average wage of fast-food workers increased 9 to 11 percent by the third year of the ordinance, and as much as 12 percent in low-wage industries overall. Pay for fast-food workers in Santa Fe increased by similar amounts, together with wage increases of 2 to 9 percent in the retail industry and 5 to 15 percent for low-wage industries overall. (See also Reynis, Segal and Bleeker (2005) for similar findings.)

Finally, a broader literature has looked at state and federal minimum wage increases and estimated their impact on workers' earnings. In their comprehensive review of existing research, Belman and Wolfson (2014) estimate that changes in the minimum wage typically affect about 10 to 20 percent of the labor force (and sometimes as much as 30 percent), counting both direct and indirect effects. The average wage increase per impacted worker depends on the size of the minimum wage increase and what the average worker was earning beforehand. As a concrete example, Schmitt (2013) analyzed federal minimum wage increases from 1989 to 2009 and estimates that impacted workers' wages rose between 8.4 and 13.6 percent. Research consistently finds that the pay of both adults and teens is affected by minimum wage increases (Allegretto, Dube and Reich 2011; Giuliano 2013).

[3] The authors also examined the impact of the 1993 minimum wage law in Washington DC, but found that the size of the increase was too small to raise wages in those industries (too few workers were affected). They conclude that the law therefore did not constitute a meaningful policy experiment.

We also note broad agreement among economists that raising the minimum wage reduces income inequality, by pushing up the wage floor relative to the median wage (Lee 1999; Autor, Manning and Smith 2010).

B. Demographics of affected workers

Evidence on who benefits from minimum wage increases comes mainly from prospective studies (conducted when a minimum wage law is first being considered). In these studies, researchers analyze government survey data and estimate the number and characteristics of workers likely to be affected, given wage thresholds being considered by law makers.

For example, drawing on results in Reich and Laitinen (2003), Lantsberg (2003) conducted a prospective study of San Francisco's first minimum wage increase in 2004 (from $6.75 to $8.50). He estimated that about 55,700 workers (14 percent of private sector workers) would benefit from the law, with 70 percent age 26 or older. Lantsberg also found differences by race and ethnicity. He estimated that while 9 percent of white workers would be affected, the corresponding figures were 18 percent of African American workers, 21 percent of Asian workers, and 22 percent of Hispanic workers. In his prospective study of Santa Fe's 2004 minimum wage law, Pollin (2004) similarly found that the increase would benefit mainly adult workers (many of them primary bread-winners) and especially workers of color.

More recently, the Council of Economic Advisers (2014) analyzed the likely effects of the Harkin/Miller bill to raise the current federal minimum wage from $7.25 to $10.10 by 2016. The CEA found that the proposal would raise wages for 28.2 million workers (19 million directly, the remainder indirectly), or 21.4 percent of the U.S. workforce. CEA estimates that the majority of affected workers are women (55 percent) and aged 20 or older (88 percent). The CEA also estimates that black and Hispanic workers will benefit more than white workers, and that 46 percent of affected families have incomes under $35,000 a year.

In an earlier study, Bernstein and Schmitt (1998) examined the characteristics of workers and families that benefitted from the federal minimum wage increase in the mid-1990s (from $4.25 to $4.75 in 1996 to $5.15 in 1997). The researchers found that the two-step increase raised the wages of 9.9 million workers, largely adults (71 percent) and disproportionately women and black and Hispanic workers. About half of the beneficiaries worked full time, and an additional third worked 20-34 hours a week. Moreover, the average affected worker contributed 54 percent of his or her household earnings. In aggregate, 58 percent of the benefits from the minimum wage increase were received by households in the bottom 40 percent of the family income distribution.

C. Effects on poverty and use of public assistance programs

Impact on poverty

Compared to the large volume of research on the employment effects of minimum wage laws, few studies have examined the impact on poverty. A recent paper by Arindrajit Dube shows important reductions in family poverty rates from minimum wage laws.

Specifically, Dube (2013) finds that higher minimum wages increase incomes at the bottom of the family income distribution, reduce the percent of individuals living below the poverty line, and, in particular, reduce extreme poverty (families with incomes less than one-half the poverty line). The reductions in poverty are somewhat larger for black and Latino individuals, for those with less education, and for children under 18.

Based on state-of the-art econometric methods, Dube's estimates predict that the Harkin-Miller proposal (to raise the federal minimum wage from $7.25 to $10.10 an hour) would reduce the number of people living in poverty in the U.S. by 4.6 million. These Americans constitute about a fifth of the working poor. Other recent studies, using less sophisticated statistical methods, also show that raising the minimum wage reduces poverty. The Council of Economic Advisers (2014) predicts that the proposal would raise incomes for an estimated 12 million now in poverty, lifting 2 million of them out of poverty. The Congressional Budget Office (2014) estimates that the Harkin-Miller proposal would lift 900,000 people out of poverty.

Impact on use of public assistance programs

Until recently, economists have typically not assessed the impact of minimum wage increases on the use of public assistance programs by low-wage workers and their families.

Across several years in the 2000s, researchers in four states used a consistent methodology to estimate the portion of working poor families enrolled in public assistance programs. The research teams considered major programs such as Medicaid, EITC (Earned Income Tax Credit), Food Stamps, SCHIP (State Children's Health Insurance Program), TANF (Temporary Aid to Needy Families), and subsidized child care. Their findings were remarkably consistent across the four states:

- *New York*: In 2001-2004, an estimated 890,000 working families were enrolled in at least one public assistance program, accounting for 33 percent of all public benefits spending in the state, or $5.2 billion annually (Bernhardt, Chaddha and McGrath 2008).
- *Illinois*: In 2001-2004, an estimated 475,000 working families were enrolled in at least one public assistance program, accounting for 37 percent of all public benefits spending in the state, or $2.2 billion annually (Theodore and Doussard 2006).
- *Wisconsin*: In 2001-2004, an estimated 178,000 working families were enrolled in at least one public assistance program, accounting for 45 percent of all public benefits spending in the state, or $837 million annually (Center on Wisconsin Strategy 2006).
- *California*: In 2002, an estimated 2 million working families were enrolled in at least one public assistance program, accounting for 48 percent of all public benefits spending in the state, or $10.1 billion annually (Zabin, Dube and Jacobs 2004).

In all four states, low wages were the leading predictor of enrollment in public assistance programs by working families.

More recently, researchers using a similar methodology found that 60 percent of spending on food stamps and 47 percent of spending on TANF nationally is provided to members of working families. The researchers further found that more than half (52 percent) of families of fast-food workers are enrolled in one or more public programs, at an annual cost of nearly $7 billion. Again, low wages were the main predictor of public program enrollment (Allegretto, Doussard, Graham-Squire, et al. 2013).

Does raising the minimum wage reduce reliance on means-tested public assistance programs? The answer may seem obvious, but West and Reich (2014) point out that the research question is more complex. If, for example, raising the minimum wage causes increased unemployment, more workers and families would have to rely on programs such as food stamps. The authors analyze state and federal minimum wage increases from 1990-2012 and find that, on average, a 10 percent increase in the minimum wage reduces food stamp program enrollment by between 2.4 and 3.2 percent, and reduces program expenditures by 1.9 percent.[4] They predict that an increase of the federal minimum wage to $10.10 would reduce enrollment in the food stamp

[4] Several studies have examined the relationship between the minimum wage and the Earned Income Tax Credit, or EITC. Neumark and Wascher (2011) find that a higher minimum wage increases EITC benefits for families in deep poverty, while reducing EITC benefits for some subgroups. Lee and Saez (2012) argue that the minimum wage and EITC are complementary policies, not substitutes. The Congressional Budget Office (2014) argues that a minimum wage increase will not have a substantial effect on EITC spending, while Rothstein (2010) examines whether the positive effect of the EITC on female labor supply has lowered wages. While these studies are of interest, the EITC is quite different from programs such as food stamps. The EITC has a substantial phase-in period during which benefits increase and a long phase-out period, with eligibility ending completely at an annual income of about $48,000 for a family of four—quite a bit above the reach of the minimum wage.

program by about 3.5 million people and reduce federal expenditures on food stamps by about $4.2 billion per year.

More generally, since eligibility for programs such as SNAP and Medicaid are tied to the federal poverty level, Dube's (2013) finding that higher minimum wages reduce the poverty rate suggests that we might also expect reductions in enrollments in public assistance programs.

D. Effects on the economy

A common question is whether raising the minimum wage might act as an economic stimulus and engine of job growth, as low-wage workers spend their increased earnings in local communities. Unfortunately, the economic research literature has not addressed this question. Consequently it is not possible to make a confident assessment of these broader economic impacts of minimum wage laws.

A few studies have attempted such estimates with prospective studies. For example, Lantsberg (2003) estimated that the first minimum wage increase in San Francisco would result in $45 million in additional spending by low-income families on food, clothing, and other items, likely in local neighborhood businesses. Similarly, Pollin (2004) estimated that Santa Fe's 2004 minimum wage increase would result in an additional $15 million of spending, potentially boosting retail sales in local neighborhoods by 5 percent.

More recently, researchers at the Federal Reserve Bank of Chicago analyzed how a future federal minimum wage increase would affect aggregate household spending. The authors calculate that a $1.75 increase in the federal minimum wage (from $7.25 to $9.00 an hour) would raise aggregate household spending by roughly $48 billion in the short term, increasing GDP by 0.3 percent (Aaronson and French 2013). In a similar vein, the Economic Policy Institute recently estimated that the Harkin/Miller bill would result in an additional $35 billion in wages paid to affected workers by 2016. This projected rise in consumer spending would provide a net increase in GDP of $22.1 billion, creating roughly 85,000 new jobs (Cooper 2013).

These prospective estimates require a series of assumptions about the future behaviors of workers, owners, and consumers and their interactions that are difficult to validate. For local laws, the size of the locality and the proportion of workers who live and spend their income in the locality are also important. We do know that low-wage workers and their families are likely to spend a significant portion of their increased earnings from a minimum wage increase (Johnson, Parker and Soueles 2004).

6. The effects of minimum wage laws on businesses

The impact of the minimum wage on businesses—how many workers they hire, whom they hire, the prices they charge for their goods and services, their location decisions—is one of the most researched topics in economics, with hundreds of studies published over the decades. We do not attempt to summarize the full literature in this report; for recent reviews see Brown (1999), Neumark and Wascher (2006), Schmitt (2013), and Belman and Wolfson (2014).

Economists' understanding of minimum wage effects has undergone significant changes over the past 20 years. This shift began with the groundbreaking work of Card and Krueger (1994), who analyzed employment in fast-food restaurants near the New Jersey and Pennsylvania border after New Jersey increased its state minimum wage. Card and Krueger found no measurable negative impact on employment.

Since then, economists have increasingly recognized that raising the minimum wage does not automatically mean that employment will fall. Increased labor costs can be absorbed through a variety of other channels. For example, if turnover declines, employers save on recruiting and training costs at the same time that they reap the benefits of more experienced workers who are more productive. When a cost increase affects all firms in an industry, firms can also raise their prices rather than reduce the number of employees. They may also experience lower profits. Modern economics therefore regards the employment effect of a minimum wage increase as a question that is not decided by theory, but by empirical testing.

In what follows we summarize the research that in our opinion is best suited to assessing the effects of minimum wage increases on businesses; we also give an intuitive explanation of the nature of the disagreements in the research literature about those effects.

Before proceeding, it is important to mention that existing research has only studied moderate increases in the minimum wage, of the size discussed in previous sections. These studies can only be suggestive of what might occur when minimum wages are increased significantly beyond existing local, state, or federal mandates.

A. Impact on employment and hours

Evidence from local minimum wage laws

To our knowledge, there are three rigorous studies of the employment impacts of existing city minimum wage laws. Dube, Naidu and Reich (2007) studied the impact of San Francisco's minimum wage law after it increased from \$6.75 to \$8.50 an hour in 2004, using a unique quasi-experimental research design. They surveyed a sample of restaurants before the wage increase, and then re-surveyed the same businesses nine to ten months after. The sample included restaurants from San Francisco as well as neighboring East Bay cities that were not covered by the policy, allowing the researchers to compare outcomes at restaurants affected by the minimum wage mandate with those that were not. The study also was able to compare outcomes at fast-food restaurants with outcomes at full-service restaurants.

After controlling for a variety of potential confounding factors, the authors found no statistically significant negative effects on either employment or the proportion of full-time jobs as a result of the San Francisco law. This finding holds for both full-service and fast-food restaurants (one might expect more sensitivity to a higher minimum wage in the latter). We show in Figure 2 the results from a follow-up study (Jacobs and Reich 2014). Restaurant employment in San Francisco rose slightly faster than in surrounding counties after the minimum wage increase, and again after San Francisco implemented two additional policies (paid sick leave and a health spending requirement).[5]

Potter (2006) studied the impact of Santa Fe's minimum wage law after it increased from \$5.15 to \$8.50 in 2004, a substantial increase of 65 percent (at that time, only businesses with 25 or more employees were covered). Potter also uses a quasi-experimental research design to compare changes in employment at Santa Fe businesses before and after the ordinance went into effect and to changes in employment in nearby Albuquerque over the same time period.[6] Potter found no statistically significant negative impact of Santa Fe's minimum wage increase on Santa Fe employment, both at an absolute level and relative to Albuquerque. This finding held for the most affected industries of accommodation and food services, which had the highest proportion of minimum wage workers. Potter did find a decline in construction employment in both cities, with the decline stronger in Santa Fe; he ascribes this finding to differences in the timing of an overall slowing of the region's construction boom.[7]

Finally, Schmitt and Rosnick (2011) studied the impact of the above two laws, comparing employment trends in these cities before and after their minimum wage increases to control

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[5] Trends in overall employment in San Francisco closely matched those in the surrounding counties during the same time period, indicating that the differential trends in restaurant employment were not caused by differences in economic growth between the two areas. Restaurant closed in San Francisco at a 2.8 percent lower rate than in nearby areas not covered by the law. This difference, however, was not statistically significant.
[6] Albuquerque did not have a city minimum wage law at that time.
[7] In Santa Fe, net store closings were 1.1 percent higher in businesses covered by the law than among those that were not. This difference was not statistically significant.

groups of surrounding suburbs and nearby metropolitan areas.[8] The authors found no discernible negative effects on employment, even three years after the respective ordinances were implemented. The authors focused on fast-food restaurants, food services, retail trade, and other low-wage industries.

Several additional studies of Santa Fe and San Francisco have been produced by the restaurant industry-backed Employment Policies Institute. In a study of Santa Fe, Yelowitz (2005a, 2005b) found an increase in the probability of unemployment for low-skilled workers and evidence of replacement of low-skilled adults by teens. In his study of San Francisco, Yelowitz (2012) found the opposite result: a decrease in teen work hours and no discernible effect on overall employment.

Unfortunately, both studies suffer from serious methodological problems that make the results unreliable.[9] Since higher wages are likely to increase the labor supply, unemployment *rates* can increase even as the number of people who are employed also increases. Pollin and Wicks-Lim (2005) replicate Yelowitz's (2005a) study but look at employment, rather than unemployment. They find no negative impact on employment. Furthermore, even if the reported results for each of the studies held, total compensation for teens and low-skilled workers would still have increased. Any employment or hours reductions would be more than offset by the increase in hourly earnings (Pollin and Wicks-Lim 2005; National Employment Law Project 2012).

Evidence from state and federal minimum wage laws

If the findings of the small number of case studies discussed above are taken on their own, it would be difficult to draw broad conclusions about the impact of minimum wage laws. However, the results from studies of city and county minimum wage laws are corroborated by detailed research on state and federal minimum wage laws that provide a much larger sample of events to study.

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[8] The authors also examined the impact of the 1993 minimum wage law in Washington DC, but found that the size of the increase was too small to raise wages in those industries (too few workers were impacted). They conclude that the law therefore does not constitute a meaningful policy experiment.

[9] Detailed critiques of the studies were made by Pollin and Wicks-Lim (2005) and the National Employment Law Project (2012). Among other issues, the data used in the San Francisco study starts one year after the law was implemented and fails to capture pre-trends or the first year of implementation. The study compares San Francisco to 20 other "superstar" cities. As with Neumark and Wascher (2008), the results may be biased by underlying regional differences that are unrelated to minimum wage policies. Colla, Dow and Dube (2014) solve this problem by comparing trends in earnings and employment between a similar group of central cities and their peripheral counties from 2002 to 2010. They find no evidence that increasing the minimum compensation standard led to a decrease in employment in San Francisco.

Two innovative studies conducted by researchers from UC Berkeley, University Massachusetts-Amherst, and UNC-Chapel Hill are especially relevant (Dube, Lester and Reich 2010, 2013; Allegretto, Dube, Reich and Zipperer 2013). This research team looked at every state and federal minimum wage increase in the U.S. between 1990 and 2011 and identified several hundred pairs of adjacent counties that were located on different sides of a state border with a minimum wage difference.

This research design compares the employment trends of the most affected groups – teens and restaurants – across adjacent counties that were exposed to different minimum wage levels. It is therefore an excellent test of whether businesses relocate employment outside county borders to avoid being subject to a higher minimum wage. Using this research design, Dube, Lester and Reich (2010, 2013) and Allegretto, Dube, Reich and Zipperer (2013) find no statistically significant effects of minimum wage increases on either employment or hours in restaurants and other low-wage industries, controlling for a range of regional and local differences that previous research did not include.

Allegretto (2013) uses the same dataset to examine the effects of the subminimum wage for tipped workers (which has remained at $2.13 an hour at the federal level for more than two decades, but varies significantly across states). Focusing on restaurants, she finds no statistically significant evidence of negative employment effects in states with higher (or no) subminimum wages for tipped workers.

We highlight these studies because they combine state-of-the art econometric methods with the most detailed datasets available, allowing researchers to accurately control for differences in local economic conditions that could confound the analysis.

That said, the economics literature includes conflicting findings on the employment impacts of the minimum wage. Even if the employment impacts of minimum wage are zero, we would expect to find case studies clustered around that point, with some finding positive and others finding negative impacts (Schmitt 2013). However, most of the broader studies that find negative effects, as reviewed in Neumark and Wascher (2008), fail a fundamental necessary condition for identifying statistically unbiased estimates of minimum wage effects. The key issue is that their research design assumes that states that increase minimum wages are otherwise not different from those that do not increase minimum wages. Dube, Lester and Reich (2010) and Allegretto, Dube, Reich and Zipperer (2013) show that this assumption is incorrect. In the states that increased their minimum wages, employment among low-wage workers was already growing more slowly two years before the implementation of the minimum wage increases, compared to states that did not increase minimum wages. Existing differences in regional employment trends that are unrelated to minimum wage policy can explain the differences in outcomes after the increases. As Allegretto, Dube, Reich and Zipperer (2013) document, local comparisons make sense because nearby areas are much more similar than areas that are farther away. And when minimum wage effects are estimated using local comparisons—such as across adjacent counties on a state border—the negative effect on employment disappears.[10]

Belman and Wolfson (2014) provide the most extensive summary of the minimum wage research since Card and Krueger. They conclude that the employment effects of the minimum wage in the United States are "both vanishingly small and not statistically significant in even the most generous test" (p. 168). A separate review of minimum wage research by Schmitt (2013) similarly finds "the minimum wage has little or no discernible effect on the employment prospects of low-wage workers."

Impact on which workers are hired

In his review of minimum wage research, Schmitt (2013) considers several channels through which employers might adjust to increases in the minimum wage. One possible scenario is that employers will simply switch to hiring more skilled workers, thereby hurting the employment prospects of less educated workers and, in particular, black and Latino teens. Schmitt reviews several studies that have explicitly researched this question, some of which yield conflicting findings. Again, research design matters a lot here, and studies that thoroughly control for regional or local differences do not find evidence of labor substitution. For example, Allegretto, Dube and Reich (2011) examine the impact of the minimum wage on the employment of white, black, and Hispanic teens, covering the period from 1990 to 2009. After improving on previous research by controlling for regional differences, they find no statistically significant negative effects on employment or hours for teens, regardless of race or gender. In their contiguous counties dataset, Dube, Lester and Reich (2013) similarly find no evidence of such substitution by either age or gender.

[10] A recent report by the Congressional Budget Office (2014) projects that a $10.10 national minimum wage would raise wages for 16 million Americans, lift 900,000 out of poverty, and result in a reduction in jobs of 500,000. The report claims to synthesize recent research on teen employment, but it does so without making adjustments for research quality. The CBO's estimated elasticity for adult employment is unsupported by the recent empirical research, including that of Neumark and Wascher (2008), which found no measurable employment impact for adults.

B. Impacts on firms' costs

The impact of minimum wages on the overall cost structure of a business varies significantly by industry. The impact of the minimum wage on a firm's operating costs will depend on the share of the workforce at or below the new minimum wage rate, their average wage before the increase, and the share of labor costs in total operating costs. Operating costs include not only labor, but also materials, rent, maintenance, supplies, taxes, utilities, and energy costs. An industry may have large numbers of low-wage workers, but if labor is a relatively small share of the total costs of the firm the wage increase will have a correspondingly small impact on the overall cost structure of the firm.

In a prospective study of the San Francisco minimum wage, Reich and Laitinen (2003) carried out a representative survey of establishments. They estimated that a 25.9 percent increase in the minimum wage from $6.75 to $8.50 would result in a 1.1 percent increase in the overall wage bill. When viewed from the perspective of operating costs, a 26 percent increase would result in 82.0 percent of establishments experiencing an increase in operating costs of less than 1 percent or more, and 95.2 percent experiencing an increase in operating costs of less than 5 percent. Breaking down results by industry, they estimated that 17.9 percent of restaurants would experience an increase in operating costs of 5 percent or more, as would 8.6 percent of retail establishments. For manufacturing, entertainment, hotel, and personal service firms, the estimated increase in operating costs was close to zero.

Pollin (2004) similarly estimated that the average increase in firms' costs relative to sales under Santa Fe's 2003 minimum wage ordinance would be 1 percent; the average cost increase for hotels relative to sales would be 3 percent.

Benner and Jayaraman (2012) analyzed the impact of a proposed increase in the federal minimum wage from $7.25 to $10.10 (a 39 percent increase, not accounting for inflation during the phase-in) on the food industry. They estimated a maximum increase in operating costs for the food service and drinking establishment industry of 2.25 percent over three years, and 1 percent in the retail food industry.

To put these results in context, consider the following hypothetical example of how a 10 percent increase in the minimum wage might affect costs in the restaurant industry. If one-third of restaurant workers were paid exactly the minimum wage or up to no more than 10 percent above the minimum wage (and if wages were evenly distributed), then these workers would receive a pay increase that would average half of the 10 percent increase in the statutory minimum. The increase in the wage bill would thus be one-third of 5 percent, or 1.67 percent.

Moreover, labor costs comprise about one-third of operating costs in the restaurant industry. A 10 percent increase in the minimum wage would therefore increase operating costs by one-third of 1.67 percent, or 0.56 percent. A larger minimum wage increase would imply a greater increase in costs. In the retail industry, the proportion of low-wage workers is lower than in restaurants; the proportion making exactly the minimum wage is also lower; and labor costs are only about 10 percent of operating costs (compared to about one-third in restaurants). So the effect on costs in the retail industry would be even smaller. The research results we summarized above are consistent with these hypothetical examples.

C. Impacts on prices

Since a higher minimum wage applies to all employers, a firm that serves the local market, like a restaurant, will be able to pass through a share of the higher costs without suffering a disadvantage relative to its competitors. Belman and Wolfson (2014) survey seven studies of price effects of the minimum wage, all of which found some impacts on prices in industries highly affected by the minimum wage, namely restaurants. Dube, Naidu and Reich (2007) found that restaurant prices in San Francisco rose 2.8 percent more than those in neighboring Alameda County, following the implementation of a 26 percent increase in the city's minimum wage law. Using a very small sample, Hirsch, Kaufman and Zelenska (2011) found that two-thirds of the cost increase for quick serve restaurants in Georgia and Alabama were offset by increases in price. Aaronson (2001) found that a 10 percent increase in the minimum wage results in a 0.7 percent increase in restaurant prices.

Price effects outside the restaurant industry are largely negligible. Benner and Jayaraman (2012) provide estimates of price impacts across industries for a $10.10 federal minimum wage increase. They estimate that if the entire cost were passed through to prices, restaurant prices would increase 2.5 percent over three years, retail food 1 percent, warehouse and storage and accommodations 0.7 percent, and administrative and support services 0.9 percent. In most other industries, price increases could not be detected.

When these small price increases are considered in the context of who receives the wage increases, research shows a redistribution effect towards lower income families. Jacobs, Graham-Squire and Luce (2011) estimated the impact of a $12 minimum wage for large retailers on employees and consumers. They found that if the entire cost were passed through to consumers, Wal-Mart would increase prices 1.1 percent. The increased costs would be shared by consumers across the income spectrum, with 28.1 percent borne by shoppers in lower income households. By contrast, they found that the increase in workers' earnings would be large and concentrated, with 41.4 percent going to workers in families with incomes below 200 percent of the federal poverty line.

D. Impact on employee turnover

The relationship between low wages and high employee turnover is well documented (Cotton and Tuttle 1986). In 2011, 37 percent of food service workers and workers in hotels and accommodations voluntarily quit their jobs (Boushey and Glynn 2012). In an extensive study of minimum wage impacts on employment flows, Dube, Lester and Reich (2013) found that a 10 percent increase in the minimum wage results in a 2.1 percent reduction in turnover for restaurant workers and a 2.0 percent reduction in turnover for teens. Dube, Naidu and Reich (2007) found an increase in the average tenure of workers in limited-service restaurants of three and a half months.

Three studies analyzed the impact of living wage laws on employee turnover. A study of the Los Angeles Living Wage Ordinance (Fairris 2005) found a 35 percent reduction in turnover in firms that increased wages as a result of the law, with an average increase of 23 percent. Reich, Hall and Jacobs (2005) found an overall decrease in turnover at the San Francisco International Airport of 60 percent for firms that were highly impacted by mandated pay increases. Turnover of airport screeners fell by 80 percent following a 55 percent wage increase, from $5.75 to $10 per hour. Howes (2005) found a 17 percent decrease in turnover following a 13 percent wage increase for homecare workers in San Francisco. Putting the living wage studies together, Jacobs and Graham-Squire (2010) estimate that for every 1 percent increase in wages in low-wage service positions, turnover declines by an average of 1.45 percent. The impact may be smaller for broad minimum wage laws where all employers in a market increase their wages at the same time and the wage difference between firms remains the same (Manning 2011).

Employers incur significant costs from employee turnover. This includes both direct costs for recruitment, selection, and training of workers and the indirect costs associated with lost sales, poor customer relations, and lost productivity as new workers learn on the job. The cost of worker replacement varies based on compensation, firm size, and skill level of the job. Hinkin and Tracey (2000) conducted a detailed study of non-managerial staff at four hotels, two in Boston and two in Chicago. Taking into account both direct and indirect costs, they estimated replacement costs ranging from $1,322 for room service wait staff and $2,077 for a line cook to $7,658 for an administrative assistant in sales and catering. A study of the cost of supermarket turnover by the Coca Cola Research Council estimated the replacement cost for an $8 an hour non-union worker at $4,199 (Blake 2000). Boushey and Glynn (2012) find that the median cost of replacement for jobs paying $30,000 a year or less is 16.1 percent of an employee's annual salary. A statistical analysis of California businesses by Dube, Freeman and Reich (2010) obtained similar results. Jacobs and Graham-Squire (2010) estimate that 18 percent of the costs of a wage increase for school cafeteria workers would be offset by lower turnover costs.

E. Impacts on firms' operations and productivity

A higher minimum wage may reduce costs through additional channels that improve firm performance. In a small case study of quick service restaurants in Georgia and Alabama, Hirsch, Kaufman and Zelenska (2011) suggest how firms adjust to higher wage mandates. These authors analyzed detailed payroll data and also surveyed managers and employees about human resource practices. The authors found no negative effect from the minimum wage increase on employment or hours worked. Managers reported they could offset 23 percent of the labor cost increase through operational efficiencies. Ninety percent of the employers reported they had or would increase performance standards, including requiring better attendance, requiring more proficient and faster performance of job duties, having workers take on additional tasks, and more quickly terminating workers who were not performing. Managers reported economizing on non-labor inputs, including water, electricity, and food wastage.

Reich, Hall and Jacobs (2005) surveyed employers and employees at the San Francisco International Airport following the implementation of higher mandated compensation standards. Employers reported improvements in overall work performance (35%), employee morale (47%), absenteeism (29%), reductions in grievances (45%), reductions in disciplinary issues (44%), improvements in equipment maintenance (29%), reductions in equipment damage (24%), and improvements in customer service (45%). Employees reported that more skills were required of them (50%), that they were working harder on the job (44%), that they were experiencing greater stress on the job (43%) and that the pace of work had increased (37%).

F. Impacts on retail businesses

The retail industry is the second most intensive user of minimum wage and near-minimum wage workers (after Accommodation and Food Services). A few studies have examined the effects of minimum wages on the retail sector. In her research on the retail industry, Zeynep Ton (2012) finds that highly successful retail chains "not only invest heavily in store employees but also have the lowest prices in their industries, solid financial performance and better customer service than their competitors." Using *County Business Patterns* data and their border-county pair research design, Dube, Lester and Reich (2010) found no negative effects of minimum wages on retail employment. In a related study, Dube et al. (2006) compared the number of national retailers operating in San Francisco before and after the city minimum wage policy was implemented. They found that the number of top retailers grew, as did the number of stores. Overall retail employment did not decline in San Francisco or Santa Fe, nor did employment in individual retail sectors, such as grocery stores, general merchandise stores, or clothing and accessories.[11]

G. Impacts on health benefits and pensions

If employers are required to increase their wages, they may compensate by reducing other benefits. For this reason, some of the local minimum wage laws count contributions towards health care towards meeting the minimum compensation requirement. Schmitt (2013) summarizes the empirical research, finding "small or no effects along these lines," either on the receipt of health insurance, on provision of family health insurance, or whether or not the employer paid the full premium. Dube, Naidu and Reich (2007) did not detect any decrease in the provision of health benefits in restaurants in San Francisco.[12] Belman and Wolfson's (2014) detailed survey of minimum wage research found that the evidence was "thin," and that any effect on health insurance provision was concentrated in smaller firms. They find no impact on employer-provided pensions, which is not surprising given that this benefit is rare among low-wage workers. Since the provision of employment-based health benefits are closely correlated with wage, effects could be larger at higher minimum wage rates.

7. Conclusion

In 1994 David Card and Alan Krueger published a groundbreaking study that changed how many economists view the minimum wage. Card and Krueger (1994) looked at employment in fast-food restaurants across the New Jersey and Pennsylvania border after New Jersey increased its state minimum wage. They found no measurable negative impact on employment. As we reviewed above, a large body of research has since built upon their methodology. As a result, we have learned a great deal about how employers respond to increases in the minimum wage.

First, paying workers more can change their work performance. It can change their productivity, their attitude about their job, how hard they work, and their ability to make it to the job on time. Second, low-wage labor markets have high levels of job churning. Turnover levels are high as workers leave jobs looking for better wages or because they are unable to stay in their

[11] However, data were not available for comparisons to areas not covered by the minimum wage policy.
[12] Their surveys were carried out sufficiently prior to San Francisco's proposal to establish an employer minimum health spending requirement to avoid any contamination of the results.

jobs due to poverty-related problems such as difficulties with transportation, child care, or health. As a result, rather than eliminating jobs, raising the minimum wages can reduce turnover and increase job stability. Third, firms can absorb higher labor costs through other means as well. They can pass on some of the increased costs to consumers through higher prices or earn lower profits. In short, firms use a combination of strategies to adjust to higher minimum wages without cutting jobs or hours (Schmitt 2013).

Nonetheless, it is important to emphasize again that the existing research literature is necessarily limited to the range of minimum wage increases that have been actually been implemented. While these studies are suggestive, they cannot tell us what might occur when minimum wages are increased significantly beyond existing local, state, or federal mandates.

Finally, raising the minimum wage is not a cure-all, especially in the face of larger forces generating inequality that require national attention. Still, our assessment of the research evidence is that these policies have worked well. They raise the incomes of low-wage workers and their families. The costs to businesses are absorbed largely by reduced turnover costs and by small price increases among restaurants. Additional benefits, such as reduced spending on public assistance programs and the local stimulus of additional spending by low-income families, might also occur. But we do not yet have enough definitive research on these effects.

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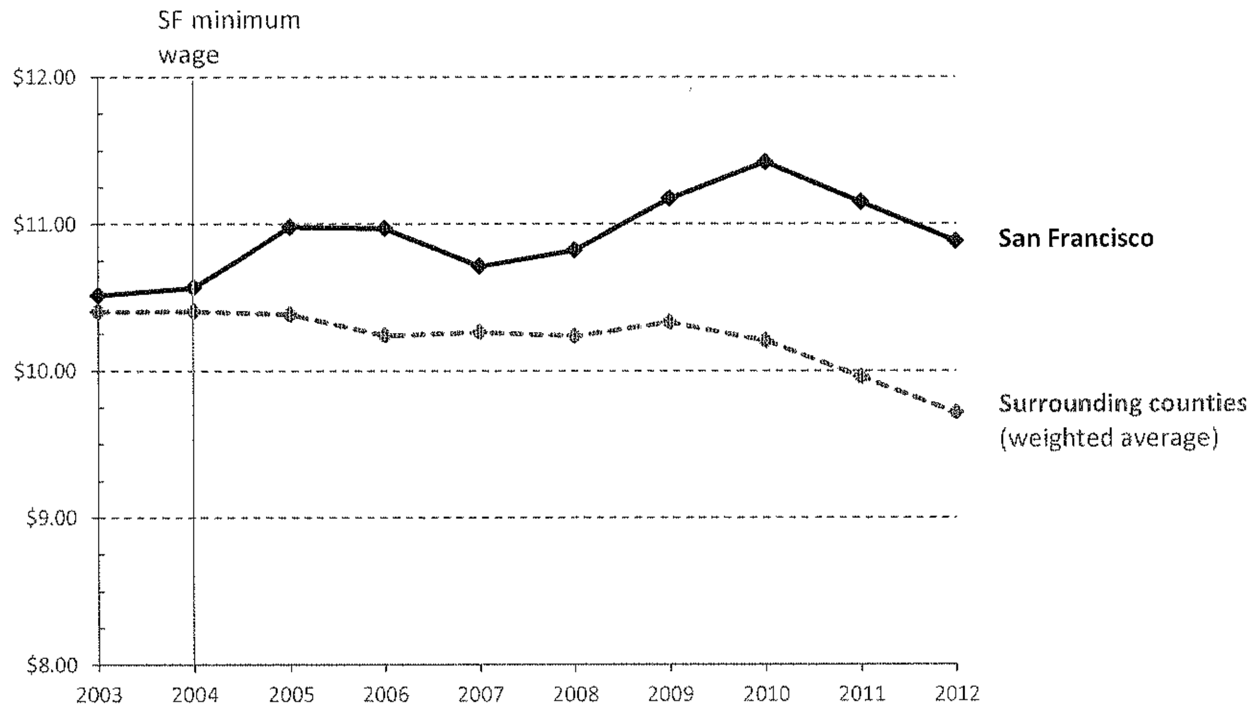
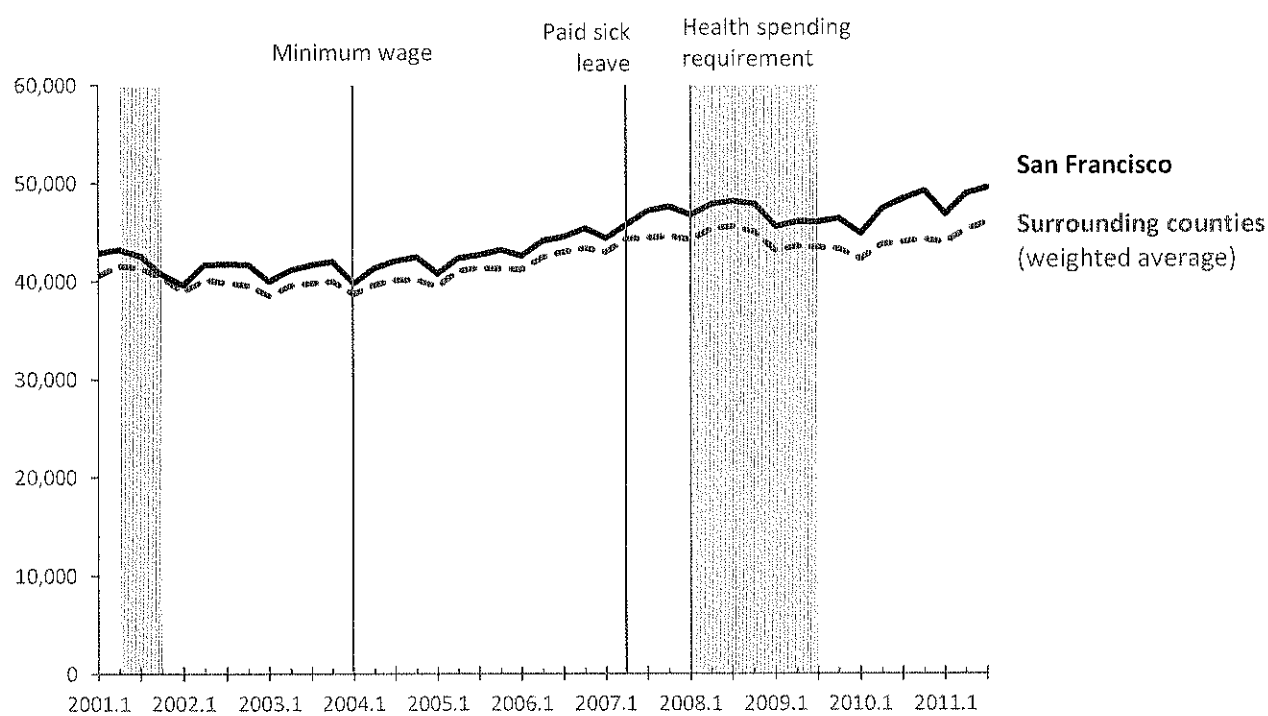
Figure 1. Inflation-Adjusted Hourly Wages for the 10th Decile of Bay Area Workers



10th percentile hourly real wages, 2003-2012 in 2012 dollars
Surrounding counties include San Mateo, Santa Clara, and Alameda counties

Figure 2. Bay Area Restaurant Employment



Shaded areas indicate recession.
Surrounding counties include San Mateo, Santa Clara, and Alameda counties

Table 1. Current Local Minimum Wage Laws

	Date Passed	How Enacted	Date First Implemented	Geographic Scope	Current Value	Remaining phase-in	Indexed?	To What (Specific CPI)
Albuquerque, NM	11/6/2012 (superseded previous law from 2006)	ballot	1/1/2013	city	$8.60	n/a	yes	CPI for Urban Wage Earners and Clerical Workers, U.S. City Average for All Items
Bernalillo County, NM	4/23/2013 (superseded previous law from 2006)	legislative	7/1/2013	unincorporated areas outside city limits	$8.50	n/a	yes	Consumer Price Index
Montgomery County, MD	11/26/2013	legislative	10/1/2014	county	$8.40 (in Oct 2014)	$11.50 (in Oct 2017)	no	n/a
Prince George's County, MD	12/17/2013	legislative	10/1/2014	county	$8.40 (in Oct 2014)	$11.50 (in 2017)	no	n/a
San Francisco, CA	11/4/2003	ballot	1/1/2004	city	$10.74	n/a	yes	CPI for Urban Wage Earners and Clerical Workers for the San Francisco-Oakland-San Jose, CA Metropolitan Statistical Area
San Jose, CA	11/6/2012	ballot	3/11/2013	city	$10.15	n/a	yes	CPI for Urban Wage Earners and Clerical Workers, U.S. City Average for All Items
Santa Fe, NM	2/27/2003	legislative	6/25/2004	city	$10.66	n/a	yes	CPI for the Western Region for Urban Wage Earners and Clerical Workers
Santa Fe County, NM	2/25/2014	legislative	4/26/2014	unincorporated areas outside city limits	$10.66 (in April 2014)	n/a	yes	CPI for the Western Region for Urban Wage Earners and Clerical Workers
Washington D.C.	1/15/2014 (superseded previous law from 2004)	legislative	7/1/2014	city	$9.50 (in July 2014)	$11.50 (in July 2016)	yes	Consumer Price Index for All Urban Consumers in the Washington Metropolitan Statistical Area

Table 2. Detailed Wage Increases in Local Minimum Wage Laws

Locality (date of enactment)	Pre-ordinance min wage	1st min wage	1st min wage DATE	% increase	2nd min wage	2nd min wage DATE	% increase	3rd min wage	3rd min wage DATE	% increase	4th min wage	4th min wage DATE	% increase
Albuquerque (2006)	$5.15	$6.75	1/1/07	31.1	$7.15	1/1/08	5.9	$7.50	1/1/09	4.9			
Albuquerque (2012)	$7.50	$8.50	1/1/13	13.3 *									
Bernalillo County (2006)	$5.15	$6.75	1/07	31.1	$7.15	1/1/08	5.9	$7.50	1/1/09	4.9			
Bernalillo County (2013)	$7.50	$8.00	7/1/13	6.7	$8.50	1/1/14	6.3 *						
Montgomery County (2013)	$7.25	$8.40	10/1/14	15.9	$9.55	10/1/15	13.7	$10.75	10/1/16	12.6	$11.50	10/1/17	7.0
Prince George's County (2013)	$7.25	$8.40	10/1/14	15.9	$9.55	10/1/15	13.7	$10.75	10/1/16	12.6	$11.50	10/1/17	7.0
San Francisco (2003)	$6.75	$8.50	2/24/04	25.9 *									
San Francisco (2003) *nonprofits and small businesses* *(implementation delayed until 2005)*	$6.75	$7.75	1/1/05	14.8	$8.82	1/1/06	13.8 *						
San Jose (2012)	$8.00	$10.00	3/11/13	25.0 *									
Santa Fe (2003) *large businesses only*	$5.15	$8.50	6/25/04	65.0	$9.50	1/1/06	11.8 *						
Santa Fe (2003) *small businesses* *(not covered until 2008)*	$5.85	$9.50	1/1/08	62.4 *									
Santa Fe County (2014)	$7.50	$10.66	4/27/14	42.1 *									
Washington D.C. (2004)	$6.15	$6.60	4/8/05	7.3	$7.00	1/1/06	6.1	$7.55	7/24/08	7.9 **	$8.25	7/24/09	9.3 **
Washington D.C. (2014)	$8.25	$9.50	7/1/14	15.2	$10.50	7/1/15	10.5	$11.50	7/1/2016	9.5 *			

* Indexed to CPI thereafter

** Minimum wage level tied to increase in the federal minimum wage

Table 3. Total Mandated Wage Increases in Local Minimum Wage Laws

Locality (date of enactment)	**Total percentage increase**	**Phase-in**
Albuquerque (2006)	45.6	yes
Albuquerque (2012)	13.3	no
Bernalillo County (2006)	45.6	yes
Bernalillo County (2013)	13.3	yes
Montgomery County (2013)	48.3	yes
Prince George's County (2013)	58.6	yes
San Francisco (2003) *Initial increase delayed implementation for nonprofits and small businesses*	25.9	no
Nonprofits and small businesses phased-in in 2005	30.7	yes
San Jose (2012)	25.0	no
Santa Fe (2003) *Only large businesses were covered until 2008*	84.5	yes
Small businesses were covered in 2008	62.4	no
Santa Fe County (2014)	42.1	no
Washington D.C. (2004)	34.1	yes
Washington D.C. (2014)	39.4	yes
Average, total ordinance increase	41.4	
Average, per-step increase	16.7	

Table 4. Coverage and Exemptions of Local Minimum Wage Laws Specified in Ordinances

	Business Coverage	Business Exemptions	Worker Coverage	Worker Exemptions
Albuquerque	• any employer required to have a business license or business registration from the city of Albuquerque and who directly or indirectly employs or exercises control over the wages, hours or working conditions of any employee • specifically includes the city of Albuquerque		• includes part-time, seasonal, and temporary workers	• persons working fewer than 2 hours a week in the city • those excluded from the definition of employee under [section of NM statutes dealing with agricultural workers] in the NM Minimum Wage Act (except those employed by the City of Albuquerque) • interns working for academic credit or work-study students • those who received certificate from state labor commissioner pursuant to [statute dealing with workers with disabilities]
Bernalillo County	• any person required to have a business registration from Bernalillo County and who directly or indirectly employs or exercises control over the wages, hours or working conditions of any employee • specifically includes the county as an employer		• includes part-time, seasonal, and temporary workers	• persons working fewer than 2 hours a week within the unincorporated limits of the county • those excluded from the definition of employee under [section of NM statutes dealing with agricultural workers] in the NM Minimum Wage Act (except those employed by the county of Bernalillo) • interns working for academic credit or work-study students • those who received certificate from state labor commissioner pursuant to [statute dealing with workers with disabilities] • those employed by parent, spouse, or sibling • those performing babysitting services in the employer's home on a casual basis • any employee under the age of 16
Montgomery County	• businesses that employ two or more persons in the county • includes Montgomery County government	• excludes US government, state government, or any other local government	• those who perform work in the county	• those exempt from state or federal minimum wage • those under age 19 and employed no more than 20 hours per week • those subject to an opportunity wage under state or federal act
Prince George's County	• any employer in Prince George's County • includes governmental units • "employer" includes a person who acts directly or indirectly in the interest of another employer with an employee			• those exempt from state or federal minimum wage • those under age 19 and employed no more than 20 hours per week

	Business Coverage	Business Exemptions	Worker Coverage	Worker Exemptions
San Francisco	• work performed in the city of San Francisco	• nonprofit and small businesses (<10 employees) exempt in year one only; phased in year 2; year 3 same as other businesses	• work performed in the city of San Francisco • undocumented workers • those covered by collective bargaining agreement, but this can be waived	• parents, spouses, children of employers • those not eligible for state minimum wage • those who work fewer than 2 hours a week in the city
San Jose	• any business with a facility in San Jose or that is required to pay the San Jose business tax must pay minimum wage for work performed in the city of San Jose • state and federal agencies including school districts when the work performed is not related to their governmental function	• employers who neither have a facility within San Jose nor are subject to the San Jose business tax • state and federal agencies including school districts, when the work performed is related to their government function	• work performed in the city of San Jose • undocumented workers • those covered by collective bargaining agreement, but this can be waived	• parents, spouses, children, domestic partners of employers • those not eligible for state minimum wage • those who work fewer than 2 hours a week in the city
Santa Fe	• the city of Santa Fe (for its full-time permanent workers, but this may be superseded by union contracts) • contractors, including construction service but excluding purchase of goods, for work with the city >= $30,000 (for both direct employees and subcontractors) • businesses receiving economic development assistance >$25,000, for the duration of the assistance • businesses required to have a business license or business registration from the city of Santa Fe	• businesses with <25 employees exempted until 2008 • nonprofits whose primary source of funds is from Medicaid waivers	• specifically includes contingent or contracted workers, or those working through temporary service agencies	• persons related by blood or marriage to their employer • interns working for academic credit at an accredited school • persons working in connection with a court-ordered community service program • workers in an apprenticeship program in a 501c(3) organization

	Business Coverage	Business Exemptions	Worker Coverage	Worker Exemptions
Santa Fe County	• businesses required by Santa Fe County Ordinance to have a business license • Santa Fe County government (though this may be superseded by union contracts) • businesses with contracts with Santa Fe County government for services including construction services • businesses that undertake an economic development project and execute a project participation agreement with Santa Fe County, for the duration of the project	• the United States, the state or any political subdivision of the state other than Santa Fe County	• all part-time, full-time and temporary workers at covered businesses • specifically includes contingent or contracted workers, or those working through temporary service agencies	• an individual engaged in the activities of an educational, charitable, religious or nonprofit organization where the employer-employee relationship does not exist or where the services rendered are on a voluntary basis • apprentices in a state- or federally-registered apprentice program; G.I. bill trainees during training; "significant" apprenticeships offered by 501C(3)s • temporary employees of an educational, charitable or religious youth camp or retreat where room and board is provided to the employee, or if a day camp, where board only is provided; employer needs state certificate • Parent, spouse, child or other member of the employer's immediate family; the employer shall include the principal stockholder of a family corporation • Interns working for academic credit at an accredited school, college or university • Persons working in connection with a court-ordered community service program
Washington D.C.	• any employer in the District of Columbia	• federal government • District of Columbia government	Covers: • Those who spend more than 50% of working time in DC OR • Those whose employment is based in D.C. and who spend substantial amount of working time in DC and not more than 50% of working time in any particular state	• volunteers in educational, charitable, religious, or nonprofit organization • lay member elected or appointed to office of religious organization • casual babysitter, in or about the residence of the employer • "handicapped" worker with certificate from US DOL • bona fide executive, administrative or professional, or outside salesman • newspaper deliverers

Table 5. Treatment of Other Forms of Compensation by Local Minimum Wage Laws Specified in Ordinances

	Tipped Workers	Commissioned Workers	Other
Albuquerque	• tipped wage: $5.16; must be at least 60% of minimum wage (higher than state tipped minimum wage) • employer must make up the difference if wages and tips don't add up to the minimum wage (ordinance is specific about how this will be determined) • tipped worker definition: customarily and regularly receives tips from customers	• Unclear • In earlier ordinance, it had been the same policy as for tipped workers • In 2013 ordinance, the word "tipped" was added as follows, leaving ambiguity as to whether commissioned workers had alternative minimum wage: "tips or commissions received and retained by a ***tipped*** employee may be counted as wages and credited toward partial satisfaction of the minimum wage" [emphasis added] • if applicable, it is the same as tipped wage: $5.16; must be at least 60% of minimum wage	• If employer provides childcare or healthcare benefits in excess of annualized rate of $2,500, the minimum wage is $1.00 per hour less.
Bernalillo County	• tipped wage: $2.13 (federal minimum) • employer must make up the difference if wages and tips don't add up to the minimum wage • tipped worker definition: customarily and regularly receives tips from customers		• If employer provides childcare or healthcare benefits in excess of annualized rate of $2,500, the minimum wage is $1.00 per hour less.
Montgomery County	• tipped wage: $3.63 (same as state); must be at least half of the state minimum wage • employer must make up the difference if wages and tips don't add up to the minimum wage • tipped worker definition: customarily and regularly receives more than $30 a month in tips		
Prince George's County	• policy is the same as state tipped minimum wage • tipped wage: $3.63 (same as state) • definition of tipped worker: receives $30 a month in tips (per state policy: not specified in ordinance)		
San Francisco	• no tip credit	• commissions are considered to be part of wages • employer must make up difference if minimum wage not met during pay period. "Whether the employer may thereafter recover any amounts based on commissions that the employee earns in a later pay period, or which are paid at a later date, depends on whether the employer and employee have an enforceable written agreement"	• employers are allowed to offset a portion of the minimum wage for housing and meal costs • "non-discretionary performance bonuses" included in definition of wages • Welfare-to-Work participants' cash benefits divided by hours worked must be at least minimum wage; if policy does not allow for participants' hours to be reduced to meet the minimum wage requirement, their cash benefits must be increased

	Tipped Workers	Commissioned Workers	Other
San Jose	• no tip credit	• commissions are considered to be part of wages • employer must make up difference if minimum wage not met during pay period. "Whether the employer may thereafter recover any amounts based on commissions that the employee earns in a later pay period, or which are paid at a later date, depends on whether the employer and employee have an enforceable written agreement"	• employers are allowed to offset a portion of the minimum wage for housing and meal costs • "non-discretionary performance bonuses" included in definition of wages • Welfare-to-Work participants' cash benefits divided by hours worked must be at least minimum wage.
Santa Fe	• tipped wage: $2.13 (federal minimum) • tipped worker definition: customarily receive more than $100 per month in tips	• commissioned worker wage: $2.13 (tipped federal minimum) • commissioned worker definition: customarily receive more than $100 per month in commissions	• health benefits and childcare are considered to be elements of wages
Santa Fe County	• tipped wage: $6.40; must be at least 60% of minimum wage (higher than state tipped minimum wage) • employer must make up the difference if wages and tips don't add up to the minimum wage • tipped worker definition: customarily and regularly receive more than $30 a month in tips	• commissioned worker wage: $6.40; must be at least 60% of minimum wage • employer must make up the difference if wages and commissions don't add up to the minimum wage • commissioned worker definition: customarily and regularly receive more than $30 a month in commissions	
Washington D.C.	• tipped wage: $2.77 • employer must make up the difference if wages and tips don't add up to the minimum wage • the ordinance created a detailed process to validate earnings of tipped workers	• Minimum wage ordinance is not violated if the employee works for a retail or service establishment and: 1) the regular rate of pay is in excess of 1.5 times the minimum hourly rate AND 2) more than 1/2 of the employee's compensation for a representative period (not less than 1 month) represents commission on goods or services	

Portland Public Schools **October 31, 2013**

School Name	Sch. ID #	Enrollment	Free	Reduced	Total	Percent Free & ~~Reduced~~
Deering High	1357	932	468	35	503	53.97%
Casco Bay High	1904	336	136	5	141	41.96%
Portland High	1356	878	422	34	456	51.94%
King Middle	1353	536	269	21	290	54.10%
Lincoln Middle	1354	481	224	21	245	50.94%
Moore Middle	1355	501	244	33	277	55.29%
East End Elementary	1939	428	317	11	328	76.64%
East End PreK = 17						
Hall Elementary	1347	449	179	13	192	42.76%
Longfellow Elementary	1348	369	88	9	97	26.29%
Longfellow PreK = 18						
Lyseth Elementary	1351	519	167	20	187	36.03%
Ocean Ave Elementary	2626	438	202	9	211	48.17%
Peaks Island Elementary	1349	52	5	6	11	21.15%
Presumpscot Elementary	1350	282	201	14	215	76.24%
Reiche Elementary	1358	364	263	8	271	74.45%
Riverton Elementary	1359	457	325	13	338	73.96%
Riverton PreK = 35						
TOTALS		7022	3510	252	3762	53.57%
Cliff Island Elementary	1345	4				

11/8/2013

*** Enrollment figures taken on 10/31/13**
Intended for internal use only for Portland Public Schools Food Service Program.
Per the State West Students are accounted for in their sending schools as West is a program not a school.

Cost of Living Index for Selected U.S. Cities[1]

The following table shows the cost of living in U.S. cities according to percent of income spent on goods, including groceries, housing, utilities, transportation, health care, and more.

Urban Area	100% Composite Index	13 % Grocery Items	29 % Housing	10% Utilities	12 % Transportation	4% Health Care	32 % Miscellaneous Goods and Services
Anniston-Calhoun, County, AL	91.2	101.2	74.8	111.2	88.8	89.3	96.6
Akron OH	100.2	105.1	99.7	107.9	107.1	86.8	96.0
Albany, GA	90.1	108.7	74.8	82.0	96.6	89.8	96.8
Albany, NY	108.1	105.0	112.6	101.0	102.8	111.7	108.6
Alexandria, LA	95.1	96.0	92.7	89.9	97.2	92.9	98.2
Amarillo, TX	89.5	89.9	89.4	80.4	92.1	95.2	90.8
Americus, GA	88.3	105.5	71.0	88.2	99.8	103.7	91.3
Ames, IA	96.8	93.7	104.8	82.3	101.8	98.4	93.7
Anchorage, AK	128.4	134.5	142.9	94.1	122.0	135.7	124.8
Anderson, SC	91.8	103.4	77.0	101.6	92.3	99.7	95.9
Appleton, WI	93.3	93.0	81.8	102.3	104.4	104.7	96.0
Ardmore, OK	87.3	92.9	77.3	84.8	101.3	93.7	89.8
Arlington, TX	99.3	94.4	89.4	109.9	98.3	105.4	106.4
Asheville, NC	101.1	104.6	97.8	113.1	94.2	104.7	100.6
Ashland, OH	88.5	100.7	72.1	92.1	98.2	88.8	94.2
Atlanta, GA	95.6	96.2	90.7	86.3	99.3	103.3	100.3
Auburn-Opelika, AL	98.9	104.6	90.2	101.3	92.9	88.4	106.5
Augusta-Aiken, GA-SC	93.2	106.0	79.4	92.1	93.9	101.4	99.4
Austin, TX	95.5	89.3	85.1	110.7	100.2	100.3	100.4
Bakersfield, CA	103.4	107.6	98.4	104.3	111.3	107.2	103.1
Baltimore, MD	119.4	110.8	155.4	112.5	105.3	97.9	100.0
Baton, Rouge, LA	96.1	100.4	102.2	78.2	90.4	97.7	95.8
Beaufort, SC	105.2	106.9	103.5	114.3	99.6	95.7	106.0
Beaumont, TX	95.7	87.1	95.9	92.5	100.4	98.7	98.1
Bellingham, WA	113.0	114.9	135.9	83.8	113.2	115.3	100.8
Bergen-Passaic, NJ	131.3	112.1	174.0	128.9	102.4	106.3	113.8
Bethesda-Gaithersburg-Frederick, MD	130.5	108.5	184.2	120.6	110.1	104.0	104.4
Binghamton, NY	98.4	92.4	92.6	112.8	104.4	114.3	97.7
Birmingham, AL	90.8	93.5	73.2	105.7	93.5	87.9	100.3
Bismarck-Mandan, ND	95.3	105.9	91.5	70.1	102.6	100.5	99.4
Blacksburg, VA	95.0	91.5	94.9	102.3	91.1	97.5	95.1
Boise, ID	97.2	98.5	84.0	99.6	108.0	106.6	103.3
Boston, MA	132.5	116.7	152.7	138.6	104.5	123.5	128.6
Bowling, Green, KY	90.7	93.3	78.2	104.3	96.7	95.8	94.0
Bozeman, MT	102.0	107.3	101.8	89.1	101.6	102.4	104.0
Bradenton, FL	95.8	106.6	90.2	90.4	101.3	98.8	96.1
Brazoria, County, TX	89.3	87.9	75.8	100.8	96.0	95.6	95.6

Brownsville, TX	85.8	88.6	71.0	93.1	95.0	96.5	91.4
Buffalo, NY	95.8	91.8	97.4	115.6	104.8	92.0	87.6
Burlington, IA	97.0	93.8	94.6	108.6	98.6	89.9	97.1
Burlington, NC	94.6	98.6	86.0	82.3	97.5	102.5	102.5
Burlington-Chittenden, Co, VT	120.5	112.9	138.7	122.2	102.5	104.6	114.2
Camden, SC	97.4	103.4	87.8	107.5	86.0	93.1	104.3
Cape, Coral-Fort, Myers, FL	95.6	107.9	87.5	83.7	103.0	98.7	98.9
Carlsbad, NM	95.4	102.6	86.6	99.3	95.3	96.0	98.9
Cedar, City, UT	88.7	102.5	73.9	83.7	97.8	85.5	95.5
Cedar, Rapids, IA	92.0	94.8	79.1	101.6	97.1	94.4	97.5
Champaign-Urbana, IL	96.9	98.5	90.8	97.1	98.2	100.5	100.7
Chapel, Hill, NC	113.0	100.9	127.0	85.7	122.8	105.8	112.1
Charleston, WV	92.7	88.8	89.3	96.7	102.9	93.9	92.9
Charleston-N, Charleston, SC	98.3	105.7	92.6	96.6	93.9	104.4	101.5
Charlotte, NC	93.2	97.1	79.5	91.2	95.7	110.3	101.4
Charlottesville, VA	107.0	101.2	122.6	100.8	90.6	94.5	104.0
Chattanooga, TN	91.1	97.4	84.0	82.5	96.4	93.3	95.7
Cheyenne, WY	100.5	101.7	107.9	96.3	95.0	98.3	96.5
Chicago, IL	116.9	111.2	134.8	117.3	116.5	108.5	104.4
Cincinnati, OH	93.8	96.4	81.9	103.8	98.0	95.8	98.7
Clarksburg, WV	95.0	95.2	93.1	92.2	103.8	89.5	95.5
Clarksville, TN	93.0	87.9	86.0	86.5	93.9	98.7	102.3
Cleveland, OH	101.0	108.1	93.3	109.0	101.4	104.3	102.1
Cleveland, TN	93.4	101.6	87.7	103.4	91.9	91.3	92.9
Colorado, Springs, CO	92.8	95.4	92.0	86.8	96.2	102.3	92.1
Columbia, MO	91.8	92.6	81.4	90.4	96.3	96.4	99.1
Columbia, SC	100.4	105.2	82.3	109.0	102.0	106.2	110.6
Columbus, OH	92.0	91.6	86.2	100.2	99.1	107.7	90.6
Conroe, TX	91.4	89.4	80.1	96.1	93.8	95.0	99.7
Conway, AR	86.6	97.9	78.8	92.0	96.6	89.8	84.0
Cookeville, TN	85.7	86.7	71.4	82.9	87.5	87.1	98.2
Corpus, Christi, TX	90.8	82.4	79.6	113.5	93.3	92.8	96.0
Covington, KY	87.8	86.0	76.8	100.2	99.9	90.6	90.3
Dallas, TX	91.9	96.2	70.7	105.5	100.9	103.8	100.4
Danville, IL	91.1	94.6	74.2	116.4	109.3	95.8	90.7
Dare, County, NC	107.3	111.7	116.7	92.9	110.2	111.7	100.4
Davenport-Moline-Rock, Is, IA-IL	96.8	98.7	98.7	81.4	104.3	97.9	96.8
Dayton, OH	91.4	89.2	74.5	106.1	103.1	93.2	99.0
Decatur, IL	91.4	89.1	88.2	92.2	96.7	91.9	93.3
Decatur-Hartselle, AL	89.2	98.5	74.2	90.6	96.7	85.5	96.6
Denver, CO	103.2	101.0	107.5	101.9	95.4	105.9	102.7
Des, Moines, IA	90.9	90.9	89.6	90.2	95.9	90.8	90.9
Detroit, MI	99.4	92.7	95.2	129.5	101.3	94.2	96.6
Dodge, City, KS	89.3	90.0	77.6	85.5	95.6	89.9	98.5
Dothan, AL	89.8	100.3	80.1	79.7	91.8	81.7	97.9
Douglas, GA	88.6	104.1	68.5	97.9	89.3	91.3	96.6
Dover, DE	99.7	110.4	90.9	108.8	97.5	103.0	100.7
Dubuque, IA	95.9	98.1	86.5	105.2	99.5	96.5	99.5

Durham, NC	96.6	97.9	86.8	96.3	105.5	108.5	100.6
Dutchess, County, NY	120.4	109.8	141.3	118.8	109.3	110.4	111.1
Dyersburg, TN	88.6	93.4	73.8	95.2	92.9	86.3	96.7
Eau, Claire, WI	93.7	97.6	90.5	84.8	103.1	105.5	93.5
Edmond, OK	91.6	88.7	82.8	90.2	97.7	94.3	98.9
El, Paso, TX	90.4	99.9	86.0	88.1	97.0	95.4	88.5
Elkhart-Goshen, IN	94.0	91.4	92.7	84.5	99.7	92.8	97.5
Enid, OK	93.6	103.5	77.4	96.1	99.5	99.5	100.7
Erie, PA	92.1	96.4	91.1	96.0	98.4	91.2	88.4
Eugene, OR	109.8	93.8	132.3	85.3	110.0	118.2	102.9
Evansville, IN	96.2	97.9	86.3	120.0	97.1	97.4	96.4
Everett, WA	111.3	112.0	128.1	85.4	110.4	129.1	102.1
Fairbanks, AK	137.4	127.9	148.5	193.1	118.7	144.9	118.8
Fargo-Moorhead, ND-MN	92.7	99.8	87.4	78.7	95.8	102.4	96.6
Farmington, NM	97.0	101.8	97.1	87.1	96.4	98.6	98.2
Fayetteville, AR	92.1	95.3	77.3	99.8	95.2	92.7	100.6
Fayetteville, NC	95.2	105.1	82.5	92.8	96.0	117.9	100.1
Findlay, OH	94.3	102.3	77.0	95.8	100.6	91.2	104.3
Fitchburg-Leominster, MA	103.3	99.3	97.1	140.6	99.9	112.3	98.6
Flagstaff, AZ	114.9	106.6	149.3	92.5	105.5	100.0	99.5
Florence, AL	90.2	96.6	79.6	91.0	94.5	84.1	96.3
Fort, Lauderdale, FL	115.7	112.5	144.0	92.5	106.3	102.4	103.7
Fort, Smith, AR	86.1	92.5	74.5	90.5	87.9	87.5	91.7
Fort, Wayne-Allen, County, IN	94.4	93.3	89.3	87.3	106.9	93.4	98.0
Fort, Worth, TX	91.1	89.8	78.0	106.2	97.6	93.8	96.1
Framingham-Natick, MA	134.5	109.4	177.2	131.9	105.0	116.1	118.8
Fresno, CA	117.3	115.8	131.2	123.6	114.5	106.8	105.9
Gainesville, FL	99.8	106.3	101.8	99.2	103.3	92.7	95.5
Galesburg, IL	93.0	99.7	80.0	103.1	96.1	97.3	97.2
Garden, City, KS	89.7	91.2	79.9	86.5	94.0	89.6	97.5
Glens, Falls, NY	112.3	105.4	105.9	128.0	107.0	97.3	119.3
Glenwood, Springs, CO	124.0	103.3	169.0	89.0	110.9	112.0	108.7
Grand, Junction, CO	98.3	101.9	105.4	86.4	99.1	103.8	93.1
Grand, Rapids, MI	90.7	102.7	77.6	100.6	103.7	94.4	90.0
Green, Bay, WI	95.1	88.8	83.5	118.6	100.2	105.9	97.7
Greenville, NC	98.5	105.9	84.4	108.5	97.6	113.5	103.3
Greenville, SC	90.3	102.7	72.9	90.1	97.1	98.2	97.7
Gunnison, CO	110.0	110.6	134.5	85.7	99.0	97.3	100.6
Hammond, LA	95.9	99.0	95.8	84.8	93.0	97.4	98.9
Hampton, Roads-SE, Virginia, VA	111.7	106.6	121.9	108.4	104.1	109.6	108.4
Harlingen, TX	82.8	81.5	75.8	105.6	88.7	95.2	79.1
Harrisburg, PA	99.7	97.8	91.5	110.5	100.2	93.8	105.1
Harrisonburg, VA	97.0	97.5	96.8	96.8	90.4	100.8	98.6
Hartford, CT	121.8	120.7	137.8	120.7	109.0	113.0	113.5
Hastings, NE	93.4	103.7	89.1	94.0	87.6	85.8	95.6
Hattiesburg, MS	91.9	100.5	74.6	110.3	96.9	95.4	96.2
Hays, KS	89.4	92.0	78.8	92.4	97.5	90.7	94.2

Hickory, NC	92.9	101.1	91.3	92.3	86.5	93.8	93.0
Hilton, Head, Island, SC	114.1	111.4	119.8	100.4	101.6	110.7	118.5
Honolulu, HI	165.7	160.1	249.0	146.6	126.2	120.0	117.9
Hot, Springs, AR	93.8	97.3	85.3	95.7	85.6	84.8	102.9
Houston, TX	92.2	85.1	82.0	97.7	99.2	94.6	99.9
Huntsville, AL	91.2	94.9	78.7	86.1	99.7	92.0	99.8
Hutchinson, KS	94.0	89.0	92.3	84.4	96.5	94.2	99.6
Idaho, Falls, ID	90.6	99.5	78.0	84.9	102.1	93.2	96.3
Indiana, County, PA	93.3	99.7	84.2	97.7	97.7	91.1	96.4
Indianapolis, IN	87.2	91.4	73.4	86.7	100.5	93.6	93.1
Iowa, City, IA	96.2	94.9	97.3	80.1	102.8	95.4	99.0
Ithaca, NY	102.8	102.9	104.4	110.4	104.7	106.6	98.1
Jackson, MS	96.9	93.0	94.0	118.1	92.0	95.7	96.1
Jackson-Madison, County, TN	90.2	91.1	74.2	98.9	100.0	91.5	98.1
Jacksonville, FL	92.9	102.8	80.0	91.9	103.6	94.5	97.3
Jacksonville, NC	96.5	103.2	88.0	99.2	97.8	101.2	99.6
Janesville, WI	96.2	95.0	91.3	99.3	99.3	103.1	98.2
Jefferson, City, MO	92.9	93.9	78.5	97.6	93.3	95.0	103.4
Johnson, City, TN	86.7	92.3	74.4	89.1	91.7	91.5	92.6
Johnstown, PA	92.9	97.7	79.4	101.0	101.6	90.4	98.1
Joliet-Will, County, IL	102.2	100.9	102.3	116.1	111.3	106.5	95.2
Jonesboro, AR	88.9	97.5	75.1	91.1	88.8	85.9	97.3
Joplin, MO	88.8	92.2	75.9	108.1	91.8	89.5	92.0
Juneau, AK	136.5	133.1	165.7	135.1	121.2	144.4	116.1
Kalamazoo, MI	91.2	95.6	81.3	101.8	99.4	92.5	92.4
Kalispell, MT	98.8	116.3	95.5	82.0	103.6	104.8	97.8
Kansas, City, MO-KS	97.8	94.8	89.2	99.8	100.8	97.2	105.1
Kennewick-Richland-Pasco, WA	92.6	90.9	85.9	85.1	106.1	109.9	95.2
Kinston, NC	93.8	102.5	76.1	108.8	96.7	102.9	99.3
Knoxville, TN	89.4	91.4	82.0	95.1	84.2	88.4	95.1
Kodiak, AK	128.7	149.4	127.8	131.9	143.4	130.7	115.4
Lafayette, IN	98.2	95.6	82.4	116.5	106.2	116.3	102.7
Lafayette, LA	99.2	93.5	110.1	81.2	104.0	88.8	97.3
Lake, Charles, LA	97.4	99.8	103.4	89.5	97.1	84.4	95.4
Lake, Havasu, City, AZ	111.8	107.0	139.3	95.9	93.5	98.0	101.7
Lancaster, PA	106.8	101.3	118.4	111.0	99.7	95.1	100.9
Laramie, WY	97.0	105.1	102.3	90.5	91.6	97.5	92.7
Las, Cruces, NM	100.6	103.7	104.4	93.7	99.0	96.5	99.1
Las, Vegas, NV	101.9	106.8	94.1	97.7	104.9	109.0	106.2
Lawrence, KS	94.6	89.1	96.0	91.9	96.2	97.5	95.6
Lawton, OK	93.8	96.3	87.0	87.5	106.9	96.2	96.6
Lexington, KY	92.8	86.9	88.7	93.9	97.6	93.7	97.1
Lexington-Buena, Vista-Rockbridge, VA	93.7	92.1	97.8	94.3	91.2	90.7	91.7
Lima, OH	93.1	101.9	69.8	102.5	100.7	107.7	103.2
Little, Rock-North, Little, Rock, AR	96.5	92.9	92.2	104.1	94.0	93.5	100.4
Logan, UT	95.6	104.7	68.4	85.3	113.6	97.2	113.7
Los, Alamos, NM	109.7	97.1	128.1	91.2	110.7	102.6	104.7
Los, Angeles-Long,							

Beach, CA	136.4	106.0	207.1	101.7	113.6	109.1	107.0
Louisville, KY	87.7	81.6	78.7	99.1	96.9	87.2	91.9
Loveland, CO	91.0	102.7	79.3	89.6	91.4	100.3	95.7
Lubbock, TX	89.1	90.0	80.4	74.8	97.6	98.3	97.1
Lufkin, TX	92.4	87.8	83.4	98.7	94.0	105.5	98.3
Lynchburg, VA	95.1	90.7	92.7	109.7	88.8	100.1	95.8
Manchester, NH	116.8	102.3	117.0	124.5	100.1	116.1	125.0
Manhattan, KS	95.0	92.5	98.7	86.9	99.0	91.6	94.4
Mankato, MN	93.0	93.8	76.5	113.5	103.1	104.3	96.4
Marietta, GA	94.8	96.8	84.7	90.3	97.1	107.9	101.9
Marion-McDowell, County, NC	92.1	103.1	87.9	94.0	89.5	96.3	90.9
Marshfield, WI	94.2	95.3	92.2	99.9	96.8	103.6	91.7
Martinsburg-Berkeley, County, WV	89.6	91.5	82.7	85.9	103.9	99.9	90.6
Martinsville-Henry, County, VA	87.1	94.0	77.6	89.1	82.9	87.6	93.2
Mason, City, IA	89.1	89.4	73.1	105.6	99.5	94.8	94.2
McAllen, TX	85.0	79.8	77.6	103.1	92.4	97.9	84.3
Memphis, TN	88.2	92.7	76.2	86.9	91.5	98.6	95.2
Miami-Dade, County, FL	106.0	110.9	107.7	91.9	108.8	105.7	106.2
Middlesex-Monmouth, NJ	124.8	108.9	154.1	128.6	103.9	108.9	112.2
Midland, TX	93.2	89.7	89.2	93.4	95.7	98.7	96.6
Milwaukee-Waukesha, WI	101.9	98.1	112.7	98.6	99.2	108.1	94.8
Minneapolis, MN	111.0	111.6	116.8	104.7	103.7	105.4	110.4
Minot, ND	99.9	99.3	95.9	73.5	98.2	91.0	113.6
Missoula, MT	99.4	110.2	92.2	98.3	102.2	107.2	100.1
Mobile, AL	92.7	102.7	80.4	104.4	93.0	86.5	96.7
Monroe, LA	92.7	95.8	83.0	89.1	97.5	96.0	99.3
Montgomery, AL	99.2	102.9	96.0	108.4	99.6	88.0	99.1
Morgantown, WV	100.6	93.9	111.9	89.9	100.7	96.1	97.1
Morristown, TN	90.9	91.6	81.5	80.5	93.9	90.1	101.4
Muncie, IN	91.0	91.0	80.3	98.5	94.5	87.4	97.6
Murfreesboro-Smyrna, TN	88.2	94.3	76.2	81.0	92.7	95.8	96.2
Muskogee, OK	86.0	98.0	68.3	97.5	80.8	96.7	93.5
Myrtle, Beach, SC	95.2	105.7	78.4	104.5	94.7	100.4	102.4
Nacogdoches, TX	92.5	91.0	83.3	97.7	93.8	102.6	98.0
Nashville-Franklin, TN	88.9	91.7	71.3	82.6	92.5	87.3	104.5
Nassau, County, NY	145.7	123.0	206.7	140.7	113.1	119.7	115.3
New, Haven, CT	122.1	117.9	134.9	123.5	106.3	112.7	117.9
New, York, (Brooklyn), NY	181.7	130.6	317.8	165.0	103.0	111.5	119.5
New, York, (Manhattan), NY	216.7	154.3	386.7	169.6	120.3	130.2	145.7
New, York, (Queens), NY	159.0	128.3	230.8	172.0	108.8	118.0	123.9
Newark-Elizabeth, NJ	129.7	111.6	168.5	129.2	103.9	103.1	113.9
Norman, OK	94.4	95.3	88.7	91.6	104.0	96.6	96.8
Oakland, CA	139.1	116.8	198.8	94.7	113.6	119.9	119.0
Odessa, TX	90.9	91.2	88.1	88.8	93.6	96.6	92.4

Oklahoma, City, OK	91.7	92.9	86.0	88.1	92.6	99.4	96.2
Olympia, WA	104.1	107.4	102.2	82.1	114.9	120.5	106.0
Omaha, NE	88.3	92.0	79.3	89.9	100.0	96.8	89.7
Orange, County, CA	146.4	104.5	242.8	103.2	114.6	111.6	105.2
Orlando, FL	97.8	97.8	85.4	108.5	101.8	95.5	104.5
Paducah, KY	87.3	94.8	75.8	96.5	86.6	90.3	91.3
Palm, Springs, CA	121.8	111.5	154.2	112.7	110.2	100.8	106.1
Panama, City, FL	99.4	93.7	101.5	99.7	108.8	94.5	97.6
Paris, TX	88.9	93.6	80.0	87.4	94.1	94.0	93.0
Pascagoula, MS	92.3	101.0	84.3	91.4	97.4	91.6	94.6
Peoria, IL	96.3	93.4	95.0	97.2	101.4	95.8	96.8
Philadelphia, PA	126.5	124.9	141.3	135.9	105.8	108.2	119.6
Phoenix, AZ	100.7	108.1	90.4	96.6	108.9	108.8	104.6
Pittsburgh, PA	91.5	104.1	74.4	97.0	105.9	90.1	95.8
Pittsfield, MA	110.6	115.0	96.2	161.9	98.9	105.0	110.0
Plano, TX	97.4	101.3	85.2	103.9	101.8	102.9	102.6
Plattsburgh, NY	100.1	98.9	95.1	119.4	105.5	113.0	95.9
Ponca, City, OK	90.0	94.8	76.6	93.0	94.4	94.4	97.0
Portland, ME	116.5	101.8	143.0	102.9	111.8	109.7	105.5
Portland, OR	111.3	105.8	130.8	87.1	105.8	113.6	105.1
Prescott-Prescott, Valley, AZ	103.7	95.2	118.1	91.8	100.3	97.8	99.7
Providence, RI	123.3	113.4	129.0	129.0	102.5	113.2	128.1
Pryor, Creek, OK	84.5	95.0	71.5	82.7	86.6	86.0	91.5
Pueblo, CO	85.6	100.5	71.5	80.1	93.8	94.1	90.1
Quincy, IL	95.5	97.4	94.5	95.5	94.2	99.8	95.5
Raleigh, NC	98.2	104.2	88.8	105.6	96.7	101.0	101.9
Reno-Sparks, NV	101.1	105.4	101.5	91.2	107.3	101.8	100.0
Richmond, IN	90.8	83.3	84.6	106.4	98.4	95.1	91.7
Richmond, VA	104.5	103.6	103.2	113.9	100.8	112.6	103.2
Rio, Rancho, NM	95.1	92.0	90.5	88.6	94.7	100.2	101.8
Riverside, City, CA	112.5	104.9	136.3	99.9	113.4	104.4	99.1
Roanoke, VA	94.1	89.7	92.2	104.1	91.1	97.9	94.8
Rochester, MN	99.2	89.6	91.1	104.8	106.3	109.5	105.0
Rochester, NY	100.0	94.6	94.2	114.4	108.7	99.7	100.2
Rockford, IL	92.4	92.6	74.7	111.2	105.8	103.3	96.8
Roswell, NM	95.9	105.6	82.9	104.3	97.5	101.2	99.9
Round, Rock, TX	89.7	81.9	78.0	107.0	87.6	96.6	97.6
Sacramento, CA	116.2	114.7	135.7	109.6	114.4	110.8	102.8
Salina, KS	86.9	86.9	76.0	87.0	94.7	94.9	93.1
Salt, Lake, City, UT	100.6	100.1	108.0	72.5	102.1	98.8	102.9
San, Angelo, TX	92.4	89.3	84.0	106.0	97.6	96.7	94.9
San, Antonio, TX	95.7	84.9	95.3	82.8	100.7	99.9	102.2
San, Diego, CA	132.3	105.5	194.4	101.9	113.1	111.5	105.8
San, Francisco, CA	164.0	111.9	281.0	94.5	113.0	117.0	124.3
San, Jose, CA	156.1	115.3	260.3	137.2	114.0	119.0	103.6
San, Marcos, TX	94.8	88.7	100.1	86.8	90.1	92.6	96.8
Sarasota, FL	101.5	107.7	102.9	97.4	102.5	105.2	98.1
Savannah, GA	93.5	94.7	84.0	94.0	98.4	99.0	99.1
Seattle, WA	121.4	115.1	140.3	85.7	118.8	119.9	119.1
Seguin, TX	90.7	90.7	78.5	103.8	95.6	96.9	95.1

Sheboygan, WI	101.4	94.3	97.5	117.3	105.9	105.5	100.8
Shreveport-Bossier, City, LA	95.3	95.2	93.5	89.4	93.4	93.1	99.6
Sierra, Vista, AZ	97.9	96.5	99.7	97.2	104.0	96.1	95.5
Sioux, Falls, SD	94.1	91.5	86.6	101.6	86.9	102.2	100.6
Slidell-St., Tammany, Parish, LA	97.0	95.1	101.0	82.2	96.2	93.4	99.4
South, Bend, IN	91.9	91.3	84.2	92.3	95.4	96.3	97.3
Spokane, WA	93.9	92.4	85.7	89.5	109.1	110.0	96.5
Springfield, IL	85.8	89.7	70.1	79.8	104.5	106.5	91.7
Springfield, MO	88.0	93.2	76.8	83.2	96.8	95.3	93.8
St., Cloud, MN	98.3	101.7	80.7	117.2	99.9	102.0	105.8
St., George, UT	95.9	99.9	94.2	85.9	100.4	87.8	98.4
St., Joseph, MO	92.3	95.4	86.5	93.7	90.1	94.9	96.0
St., Louis, MO-IL	90.4	98.4	74.6	92.9	99.0	100.8	96.5
St., Paul, MN	110.0	107.0	112.9	106.8	103.4	106.7	112.2
Stamford, CT	146.9	121.8	212.6	121.3	110.0	113.3	122.1
Staunton-Augusta, County, VA	96.2	98.3	93.7	100.0	94.5	98.1	96.6
Stillwater, OK	90.1	95.5	81.2	97.9	88.8	95.7	93.1
Sumter, SC	96.3	103.4	90.2	108.4	97.8	91.3	95.3
Syracuse, NY	101.5	98.6	91.4	118.4	108.3	97.8	104.8
Tacoma, WA	109.5	111.3	116.6	83.1	109.0	115.1	110.2
Tampa, FL	92.4	96.3	84.7	93.8	103.3	98.4	93.4
Temple, TX	87.4	83.7	71.8	107.6	97.9	91.2	92.8
Thomasville-Lexington, NC	89.2	105.5	77.2	80.7	88.8	109.1	93.5
Topeka, KS	91.8	92.9	84.0	85.8	97.4	93.2	98.1
Troy-Miami, County, OH	95.4	96.4	83.9	123.3	99.2	89.2	96.2
Truckee-Nevada, County, CA	146.9	132.2	208.3	114.3	121.5	112.0	120.5
Tucson, AZ	96.5	97.2	91.9	86.7	104.6	99.2	100.5
Tulsa, OK	88.4	91.9	66.5	95.2	99.1	94.6	100.5
Tupelo, MS	88.1	91.1	72.3	110.1	93.8	86.6	92.7
Tuscaloosa, AL	94.6	104.9	80.6	105.9	102.8	90.2	97.4
Twin, Falls, ID	91.5	95.5	81.4	97.0	99.2	93.3	94.6
Tyler, TX	96.3	92.7	91.5	102.1	100.2	93.1	99.3
Valdosta, GA	94.1	111.8	85.3	89.0	96.7	102.2	94.5
Vancouver, WA	94.8	96.9	82.2	91.8	106.1	114.3	100.1
Vero, Beach-Indian, River, FL	97.4	109.1	83.5	104.5	97.8	97.7	102.5
Waco, TX	88.9	81.8	88.5	85.3	97.6	90.9	90.5
Washington-Arlington-Alexandria, DC-VA	140.1	107.9	226.4	97.3	109.3	103.4	103.7
Waterloo-Cedar, Falls, IA	91.7	89.5	89.6	88.2	99.4	95.9	92.8
Wausau, WI	96.5	100.0	89.6	98.4	97.5	101.3	99.7
Weatherford, TX	91.4	95.9	79.7	107.4	96.2	93.1	93.3
Wichita, Falls, TX	86.5	91.9	84.0	84.4	82.5	94.5	87.4
Wichita, KS	91.8	90.5	83.6	89.7	100.6	96.7	97.1
Williamsport-Lycoming, Co, PA	100.7	103.5	96.3	127.7	91.8	92.6	98.9
Wilmington, DE	105.2	108.1	102.0	115.4	98.6	108.7	105.2
Wilmington, NC	98.8	108.0	89.7	108.5	97.6	100.1	100.3

Winchester, VA-WV	102.3	104.6	94.5	98.2	96.8	105.0	110.9
Winston-Salem, NC	92.4	98.5	82.9	88.5	83.3	99.3	101.5
Wooster, OH	92.6	99.5	72.1	123.4	103.0	94.6	95.2
Yakima, WA	95.8	99.8	86.9	86.8	105.5	117.1	99.2
York, County, PA	102.1	98.4	106.0	102.6	97.7	96.8	102.0
Youngstown-Warren, OH	90.4	92.6	77.7	110.2	92.4	86.9	94.4
Yuma, AZ	101.2	107.4	96.4	112.2	104.6	107.8	97.6

1. Data are from 2010.

2. Indicates relative price levels for consumer goods and services. The average composite index for the nation is 100%, and each city's index is read as a percentage of the overall average.

3. Miscellaneous goods and services readily available across the U.S., including fast food, haircut, toiletries, denim jeans, newspaper subscription, movie ticket, beer, and wine.

Source: C2ER, Arlington, VA, ACCRA Cost of Living Index, Annual Average 2010.

Producer Price Indexes by Major Commodity Groups

U.S. Economy and the Federal Budget

Cost of Living Index for Selected U.S. Cities, 2005

More on Cost of Living Index for Selected U S Cities from Infoplease:

Cost of Living Index for Selected U.S. Cities - Cost of living index for selected U.S. cities from composite to health care.

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Maine

	FY14 HOUSING WAGE	HOUSING COSTS			AREA MEDIAN INCOME (AMI)				RENTER HOUSEHOLDS				
	Hourly wage needed to afford 2 BR FMR [1] [2]	2 BR FMR	Annual income needed to afford 2 BR FMR	Full-time jobs at minimum wage needed to afford 2 BR FMR	Annual AMI [3]	Monthly rent affordable at AMI [4]	30% of AMI [5]	Monthly rent affordable at 30% of AMI	Renter Households (2008-2012)	% of total households (2008-2012)	Estimated hourly mean renter wage (2014)	Monthly rent affordable at mean renter wage	Full-time jobs at mean renter wage needed to afford 2 BR FMR
Maine	$16.19	$842	$33,671	2.2	$62,761	$1,569	$18,828	$471	154,463	28%	$9.99	$520	1.6
Combined Nonmetro Areas	$14.22	$740	$29,584	1.9	$55,137	$1,378	$16,541	$414	56,348	24%	$9.00	$468	1.6
Metropolitan Areas													
Bangor HMFA	$16.56	$861	$34,440	2.2	$60,800	$1,520	$18,240	$456	15,253	40%	$9.47	$492	1.7
Cumberland County HMFA	$16.85	$876	$35,040	2.2	$68,400	$1,710	$20,520	$513	5,082	23%	$11.50	$598	1.5
Lewiston-Auburn MSA	$14.46	$752	$30,080	1.9	$56,100	$1,403	$16,830	$421	14,989	34%	$9.58	$498	1.5
Penobscot County HMFA	$13.08	$680	$27,200	1.7	$51,200	$1,280	$15,360	$384	5,067	21%	$9.47	$492	1.4
Portland HMFA	$19.46	$1,012	$40,480	2.6	$77,300	$1,933	$23,190	$580	35,155	34%	$11.40	$593	1.7
Sagadahoc County HMFA	$16.58	$862	$34,480	2.2	$71,300	$1,783	$21,390	$535	3,559	24%	$9.59	$499	1.7
York County HMFA	$16.85	$876	$35,040	2.2	$68,900	$1,723	$20,670	$517	14,717	28%	$9.66	$502	1.7
York-Kittery-South Berwick HMFA	$20.19	$1,050	$42,000	2.7	$81,000	$2,025	$24,300	$608	4,293	24%	$9.66	$502	2.1
Counties													
Aroostook County	$12.25	$637	$25,480	1.6	$50,600	$1,265	$15,180	$380	8,636	28%	$8.28	$431	1.5
Franklin County	$12.75	$663	$26,520	1.7	$51,100	$1,278	$15,330	$383	2,886	24%	$8.63	$449	1.5
Hancock County	$15.83	$823	$32,920	2.1	$62,800	$1,570	$18,840	$471	5,996	25%	$8.92	$464	1.8
Kennebec County	$14.85	$772	$30,880	2.0	$60,400	$1,510	$18,120	$453	14,832	29%	$9.42	$490	1.6
Knox County	$17.00	$884	$35,360	2.3	$60,300	$1,508	$18,090	$452	3,438	21%	$8.13	$423	2.1
Lincoln County	$17.65	$918	$36,720	2.4	$60,800	$1,520	$18,240	$456	2,315	15%	$10.78	$561	1.6
Oxford County	$13.40	$697	$27,880	1.8	$51,000	$1,275	$15,300	$383	4,920	21%	$7.94	$413	1.7
Piscataquis County †	$12.50	$650	$26,000	1.7	$47,100	$1,178	$14,130	$353	1,669	21%			
Somerset County	$13.58	$706	$28,240	1.8	$49,500	$1,238	$14,850	$371	4,808	22%	$9.92	$516	1.4
Waldo County	$14.15	$736	$29,440	1.9	$53,900	$1,348	$16,170	$404	3,550	22%	$9.03	$469	1.6
Washington County	$12.77	$664	$26,560	1.7	$45,700	$1,143	$13,710	$343	3,298	23%	$8.75	$455	1.5

† Wage data not available (See Appendix A).

1: BR = Bedroom
2: FMR = Fiscal Year 2014 Fair Market Rent (HUD, 2013).
3: AMI = Fiscal Year 2014 Area Median Income (HUD, 2013).
4: "Affordable" rents represent the generally accepted standard of spending not more than 30% of gross income on rent and utilities.
5: The federal standard for extremely low income households. Does not include HUD-specific adjustments.

Maine

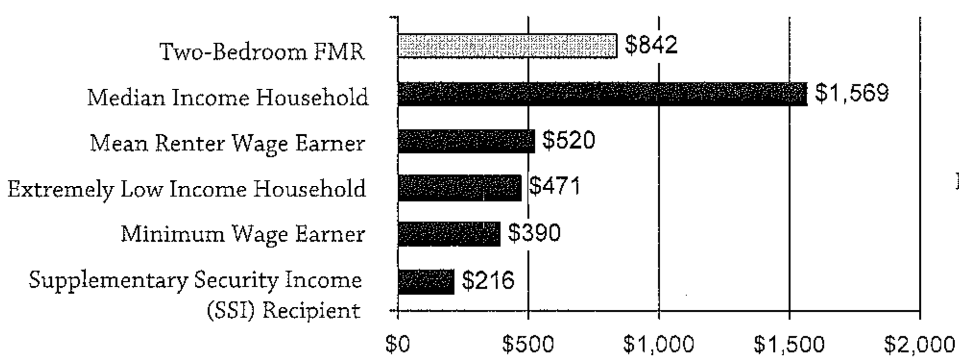
In Maine, the Fair Market Rent (FMR) for a two-bedroom apartment is $842. In order to afford this level of rent and utilities – without paying more than 30% of income on housing – a household must earn $2,806 monthly or $33,671 annually. Assuming a 40-hour work week, 52 weeks per year, this level of income translates into a Housing Wage of:

$16.19

In Maine, a minimum wage worker earns an hourly wage of $7.50. In order to afford the FMR for a two-bedroom apartment, a minimum wage earner must work 86 hours per week, 52 weeks per year. Or a household must include 2.2 minimum wage earners working 40 hours per week year-round in order to make the two-bedroom FMR affordable.

In Maine, the estimated mean (average) wage for a renter is $9.99. In order to afford the FMR for a two-bedroom apartment at this wage, a renter must work 65 hours per week, 52 weeks per year. Or, working 40 hours per week year-round, a household must include 1.6 workers earning the mean renter wage in order to make the two-bedroom FMR affordable.

Monthly Rent Affordable to Selected Income Levels Compared with Two-Bedroom FMR



Gap between Affordable Rent and FMR	
Mean Renter Wage Earner	$322
Extremely Low Income Household	$371
Minimum Wage Earner	$452
SSI Recipient	$626

Towns within Maine FMR Areas

Bangor, ME HMFA

Penobscot County

Bangor city, Brewer city, Eddington town, Glenburn town, Hampden town, Hermon town, Holden town, Kenduskeag town, Milford town, Old Town city, Orono town, Orrington town, Penobscot Indian Island Reservation, Veazie town

Cumberland County, ME (part) HMFA

Cumberland County

Baldwin town, Bridgton town, Brunswick town, Harpswell town, Harrison town, Naples town, New Gloucester town, Pownal town, Sebago town

Lewiston-Auburn, ME MSA

Androscoggin County

Auburn city, Durham town, Greene town, Leeds town, Lewiston city, Lisbon town, Livermore Falls town, Livermore town, Mechanic Falls town, Minot town, Poland town, Sabattus town, Turner town, Wales town

Penobscot County, ME (part) HMFA

Penobscot County

Alton town, Argyle UT, Bradford town, Bradley town, Burlington town, Carmel town, Carroll plantation, Charleston town, Chester town, Clifton town, Corinna town, Corinth town, Dexter town, Dixmont town, Drew plantation, East Central Penobscot UT, East Millinocket town, Edinburg town, Enfield town, Etna town, Exeter town, Garland town, Greenbush town, Howland town, Hudson town, Kingman UT, Lagrange town, Lakeville town, Lee town, Levant town, Lincoln town, Lowell town, Mattawamkeag town, Maxfield town, Medway town, Millinocket town, Mount Chase town, Newburgh town, Newport town, North Penobscot UT, Passadumkeag town, Patten town, Plymouth town, Prentiss UT, Seboeis plantation, Springfield town, Stacyville town, Stetson town, Twombly UT, Webster plantation, Whitney UT, Winn town, Woodville town

Portland, ME HMFA

Cumberland County

Cape Elizabeth town, Casco town, Cumberland town, Falmouth town, Freeport town, Frye Island town, Gorham town, Gray town, Long Island town, North Yarmouth town, Portland city, Raymond town, Scarborough town, South Portland city, Standish town, Westbrook city, Windham town, Yarmouth town

York County

Buxton town, Hollis town, Limington town, Old Orchard Beach town

Sagadahoc County, ME HMFA

Sagadahoc County

Arrowsic town, Bath city, Bowdoin town, Bowdoinham town, Georgetown town, Perkins UT, Phippsburg town, Richmond town, Topsham town, West Bath town, Woolwich town

York County, ME (part) HMFA

York County

Acton town, Alfred town, Arundel town, Biddeford city, Cornish town, Dayton town, Kennebunk town, Kennebunkport town, Lebanon town, Limerick town, Lyman town, Newfield town, North Berwick town, Ogunquit town, Parsonsfield town, Saco city, Sanford town, Shapleigh town, Waterboro town, Wells town

York-Kittery-South Berwick, ME HMFA

York County

Berwick town, Eliot town, Kittery town, South Berwick town, York town

This information is provided for New England states only, because only in these states do FMR and metropolitan areas include portions of counties, rather than entire counties.

2014 MOST EXPENSIVE JURISDICTIONS

States[1]	Housing Wage for Two-Bedroom FMR
Hawaii	$31.54
District of Columbia	$28.25
California	$26.04
Maryland	$24.94
New Jersey	$24.92
New York	$24.87
Massachusetts	$24.08
Connecticut	$23.02
Alaska	$21.63
Virginia	$20.93

Counties[2]	Housing Wage for Two-Bedroom FMR
Marin County, CA	$37.62
San Francisco County, CA	$37.62
San Mateo County, CA	$37.62
Honolulu County, HI	$35.00
Nantucket County, MA	$34.60
Santa Clara County, CA	$31.71
Orange County, CA	$31.62
Nassau County, NY	$31.02
Suffolk County, NY	$31.02
Kauai County, HI	$30.71

Metropolitan Areas	Housing Wage for Two-Bedroom FMR
San Francisco, CA HMFA[3]	$37.62
Honolulu, HI MSA[4]	$35.00
San Jose-Sunnyvale-Santa Clara, CA HMFA	$31.71
Orange County, CA HMFA	$31.62
Nassau-Suffolk, NY HMFA	$31.02
Santa Cruz-Watsonville, CA MSA	$30.71
Oakland-Fremont, CA HMFA	$30.35
Danbury, CT HMFA	$30.31
Stamford-Norwalk, CT HMFA	$29.83
Oxnard-Thousand Oaks-Ventura, CA MSA	$28.44

Combined Nonmetro Areas	Housing Wage for Two-Bedroom FMR
Massachusetts	$29.73
Hawaii	$22.69
Alaska	$19.27
Maryland	$19.18
Connecticut	$18.47
New Hampshire	$18.47
California	$17.93
Colorado	$16.46
Vermont	$16.11
Delaware	$16.04

[1] Includes the District of Columbia.

[2] Excludes metropolitan counties in New England.

[3] HMFA = HUD Metro Fair Market Rent (FMR) Area. This term indicates that a portion of the Office of Management & Budget (OMB) defined core-based statistical area is in the area to which the income limits and FMRs apply. HUD is required by OMB to alter the name of the metropolitan geographic entities it derives from the Core Based Statistical Area (CBSA) when the geography is not the same as that established by the OMB. CBSA is a collective term meaning both metro and micro

[4] MSA = Metropolitan Statistical Area. Geographic entities defined by OMB for use by the federal statistical agencies in collecting, tabulating, and publishing federal statistics. A metro area contains an urban core of 50,000 or more in population.

CITY OF PORTLAND

MEMORANDUM

TO: Chair Mavodones and Members of the Finance Committee

CC: Mayor Brennan and Members of the Portland City Council

FROM: Danielle P. West-Chuhta, Corporation Counsel

DATE: November 13, 2014

RE: **Proposed Minimum Wage Ordinance Research re: home rule and constitutional challenges**

THE VALIDITY OF A MINIMUM WAGE ORDINANCE FOR PORTLAND

Recently, a number of municipalities across the nation have enacted local ordinances that provide minimum or living wages greater than that provided by state or federal law. This movement is in response to the lack of political will in the federal and state governments to pass laws that provide minimum wages in step with the steadily increasing costs of living. For example, as recently as 2013, Maine's legislature passed a bill that would have raised the state minimum wage and tied it to the consumer price index. This bill did not survive the governor's veto.[1]

When considering whether to enact a minimum wage ordinance, a municipality must consider authority, preemption and constitutionality. First, the municipality must have the authority to enact the ordinance. Next, the ordinance must not be preempted by state law. Overall, the ordinance must be constitutional and not impair contract obligations, nor violate equal protection or other rights.

I. State-Granted Authority to Enact a Minimum Wage Ordinance

Maine's home rule power is authorized in the State Constitution and implemented by statute. Although this imparts a robust home rule regime, these two authorities grant

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[1] An Act To Adjust Maine's Minimum Wage Annually Based on Cost-of-living Changes, 2013 Maine House Paper No. 430, Maine One Hundred Twenty-Sixth Legislature - First Regular Session.

somewhat different, and conflicting, levels of power: the scope of home rule under the Constitution is tempered by limiting language, whereas the statutory grant is plenary and limited only where "expressly denied."[2] The Law Court has clarified that the operative standards are those under the statutes.[3]

In terms of models of home rule, Maine's Constitution aligns with what is known as the imperio model, which balances state and municipal powers by delegating them according to interest.[4] "The idea behind the imperio model is to render to the state what properly belongs to the state, and to render to local governments what properly belongs to local governments."[5] It is often difficult to discern what is primarily of state or local concern; this piece is defined in the courts.[6] The imperio model grants municipalities more power than the traditional "Dillon's Rule" model, which generally limits municipal authority to that which the state affirmatively grants; but it confers less power than the legislative model, which recognizes that municipalities have broad power to enact ordinances, as long as they are not expressly denied by any laws.[7]

Thus, a municipality in an imperio-type of a home rule state generally may enact an ordinance that is municipal in nature, as is iterated in Maine's Constitution;[8] however, the Law Court has recognized that the legislature "broadened the scope of municipal home rule authority set out in the Maine Constitution by permitting local legislation in areas beyond those 'local and municipal in character.'"[9]

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[2] See 30-A M.R.S. § 3001.
[3] See infra, n.
[4] Darin M. Dalmat, Bringing Economic Justice Closer to Home: The Legal Viability of Local Minimum Wage Laws Under Home Rule, 39 Colum. J.L. & Soc. Probs. 93, 104 and FN 30 (2005).
[5] Dalmat at 104.
[6] Dalmat at 105.
[7] Dalmat at 102, 106.
[8] Maine's constitutional language states that municipalities "shall have the power to alter and amend their charters on all matters, not prohibited by Constitution or general law, which are local and municipal in character." Me. Const. art. VIII, pt. 2, § 1.
[9] Sch. Comm. of Town of York v. Town of York, 626 A.2d 935, 938, 939 (Me. 1993) ("Municipal legislation will be invalidated only where the Legislature has expressly prohibited local regulation, or where the Legislature has intended to exclusively occupy the field and the legislation would frustrate the purpose of a state law"), citing Central Maine Power Co. v. Town of Lebanon, 571 A.2d 1189, 1193 (Me.1990); see also City of Bangor v. Diva's, Inc., 2003 ME 51, ¶¶ 13, 24 (upholding the enactment of an ordinance that prohibited nude entertainment without a certificate of occupancy, "[b]ased on the City's home rule authority and the absence of an express prohibition or preemption by the Legislature).

Thus, in Maine, even though home rule authority is limited in the state constitution to those matters "local and municipal in character," the Law Court has made it clear that municipalities in Maine no longer have to ask whether an enactment is "local and municipal in character"; they have the authority to enactment ordinances that are not expressly denied.[10]

Here, the Legislature has not expressly denied the City's ability to enact a local minimum wage law.[11]

Also, because Portland may address those matters which are local and municipal in nature, it should be entitled to enact a local minimum wage law since municipal purposes of a minimum wage ordinance for Portland seem to directly bear on the general health, safety and welfare of the community.[12] "[M]inimum wage laws [can] address local needs and concerns. Indeed, the local costs of living often vary dramatically within a state… [t]hus, a statutory flat-rate minimum wage is unlikely to accommodate the needs of local residents throughout the state, because it is politically implausible that the statutory rate will reflect the cost of living in the most expensive parts of the state."[13]

II. The Lack of Preemption by Maine State Law.

In addition to establishing the authority to enact a local ordinance, a municipality must also establish that an enactment is not preempted by state law. Under Maine law, whether a municipal ordinance is preempted involves determining whether (1) the legislature intended to occupy the field, and (2) the ordinance would frustrate the purpose of state law.[14]

A. The Legislature's Intention to Occupy the Field

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[10] See, e.g., New Mexicans for Free Enter. v. The City of Santa Fe, 126 P.3d 1149, 1157-58 (N.M. App. 2005) (applying legislative model of home rule to uphold a municipal minimum wage ordinance, because this type of law is not expressly denied by the state law).
[11] See M.R.S. 26, § 661, et seq.
[12] The cost of living index for housing in Portland is exceptionally high (143 as compared to a national average baseline of 100). U.S. Census Bureau, Statistical Abstract of the United States: 2012, Table 728. Cost of Living Index – Selected Urban Areas, Annual Average: 2010, http://www.census.gov/compendia/statab/2012/tables/12s0728.pdf (visited October 10, 2014).
[13] Dalmat at 112.
[14] Intl. Paper Co. v. Town of Jay, 665 A.2d 998, 1002 (Me. 1995) (more stringent local emission standards upheld because they were expressly not preempted and advanced State environmental objectives), citing Sch. Comm. of Town of York v. Town of York, 626 A.2d 935, 939 (Me. 1993).

The legislature must intend to occupy the field exclusively. In Sch. Comm. of Town of York v. Town of York, the Court quoted the Legislative Committee Report that underlies Maine's statutory home rule authority:

> "The mere fact that there is a state law, or even a multitude of state laws on a subject is by itself irrelevant; the key is whether the Legislature intended to exclusively occupy the field and thereby deny a municipality's home rule authority to act in the same area." [15]

Maine's minimum wage laws are quite thorough,[16] and warrant a fairly extensive analysis of whether the legislature intended to occupy the field. This would include a look at the statute's legislative history as well as particular provisions of the ordinance itself, such as its applicability, definitions and the framing of other specific provisions. For example, the statute allows the state minimum wage to match the federal minimum wage if it becomes greater, but this increase cannot exceed $1 per hour.[17] The purpose of this provision could reveal the legislature's intent. That is, is the limit to curb state spending, or to protect certainty for employers?

In Maine, the minimum wage law sets a minimum hourly wage, prohibiting the payment of wages below $7.50 per hour. The minimum wage law does not "permit" only its rate, establish any type of comprehensive wage scheme, express any need for uniformity or prohibit higher local minimum wage rates. A local minimum wage ordinance could therefore be viewed as complementary and not antagonistic towards the State law's policy of ensuring that all workers are paid at least $7.50 per hour. In this way, a local ordinance would not be in conflict with the State law and would seem to most likely be permitted.

Despite the above analysis, those in opposition to a local minimum wage ordinance may argue that the State has "occupied the [wage] field" since the local

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[15] 626 A.2d 935, 938-939, 941 (Me. 1993) (quoting Report of the Joint Standing Committee on Local and County Government on the Revision of Title 30, at 8 (Dec.1986)).
[16] For example, they include livable wage provisions, and rules for "Fair Minimum Wage Rates on State Construction Projects" and "Executive, Administrative, and Professional Exemptions from Minimum Wage and Overtime."
[17] 26 M.R.S.A. § 664 ("If the highest federal minimum wage is increased in excess of the minimum wage in effect under this section, the minimum wage under this section is increased to the same amount, effective on the same date as the increase in the federal minimum wage, but in no case may the minimum wage exceed the minimum wage otherwise in effect under this section by more than $1 per hour.")

oridance frustrates the purpose of a unified state wage law. Maine law makes clear, however, that when local law requires a more stringent standard, both state and local law advance the same purpose, and thus, purpose of state law is not frustrated by enforcement of local law. See Central Maine Power Co. v. Town of Lebanon, 571 A.2d 1189, 1194-95 (Me. 1990).

Here, the State's stated purpose for its minimum wage law is to ensure that Maine's workers "receive wages sufficient to provide adequate maintenance and to protect their health, and to be fairly commensurate with the value of the services rendered." The City's proposed local minimum wage law, which would put in place a higher wage would advance the same purpose as the State law (i.e. to ensure that Maine workers are adequately compensated), and so the purpose of Maine's law would not be frustrated and the City's proposed ordinance.

B. Frustrating the Purpose of State Law

Maine's municipal ordinance statute additionally states that municipalities may exercise powers that are not denied "by clear implication."[18] This standard of preemption is explained in the statute as thus: "The Legislature shall not be held to have implicitly denied any power granted to municipalities under this section unless the municipal ordinance in question would frustrate the purpose of any state law."[19]

The Law Court will "view municipal action as preempted only when the application of the municipal ordinance prevents the efficient accomplishment of a defined state purpose,"[20] but efficient accomplishment does not require that the easiest or least expensive option must be available. In Smith v. Town Of Pittston, the Court reversed a Superior Court decision and upheld a local ordinance because its prohibition on one option for septic waste disposal did not frustrate the purpose of Maine's Hazardous

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[18] 30-A M.R.S.A. § 3001.

[19] 30-A M.R.S.A. § 3001(3).

[20] Smith v. Town Of Pittston, 820 A.2d 1200, 1206-1207 (Me. 2003) (internal quotations omitted), citing School Comm. of Town of York v. Town of York, 626 A.2d 935, 938 n. 8 (Me.1993) (quoting the legislative committee report regarding the home rule statute).

Waste, Septage and Solid Waste Management Act "to provide for safe and effective waste management."[21]

The majority reasoned that (1) the municipality had met its requirement to provide for its septage disposal, (2) other methods of private septage disposal were available, even if they were not as easy and inexpensive as land spreading, and (3) the statute requires that municipalities share the authority to approve septage disposal sites (which must comply with local ordinances, zoning and land use laws.)[22] Thus, even though the other methods may have been more difficult and expensive, the purpose of the statute "to provide for safe and effective waste management" was not frustrated.

Just as the majority recognized that additional restrictions in a local ordinance still allowed the state statute to function and fulfill its purposes on a broad scale, so too would a local minimum wage ordinance allow the purpose of the state minimum wage statute to continue to be effective. A local minimum wage ordinance would further the State's public policy that "workers employed in any occupation should receive wages sufficient to provide adequate maintenance and to protect their health, and to be fairly commensurate with the value of the services rendered."[23]

III. The Constitutionality of Portland's Minimum Wage Ordinance

Finally, local minimum and living wage ordinances have also been constitutionally challenged under the Contract, Equal Protection, Due Process, and Takings Clauses.[24] While the initial prong of the Contract Clause analysis may be implicated by a local minimum wage ordinance, it is likely to hold up under the remaining two prongs. The other constitutional challenges, thus far, have also not been

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[21] 820 A.2d 1200 (Me. 2003), 38 M.R.S.A. § 1302. Notably, while the policy statement in large part addresses "solid waste," which does not include septage, it does discuss "waste management," which is defined as the "purposeful, systematic and unified control of the handling and transportation" of waste, including septage. The decision does not appear to address the unified control element of the definition.
[22] Smith at 1207-1209.
[23] 26 M.R.S.A. § 661.
[24] RUI One Corp. v. City of Berkeley, 371 F.3d 1137, 1141 (9th Cir. 2004) (expanded applicability of municipal living wage ordinance upheld under the Contract, Equal Protection and Due Process Clauses); New Mexicans for Free Enter. v. The City of Santa Fe, 126 P.3d 1149, 1166-68 (N.M. App. 2005) (municipal minimum wage ordinance upheld under Equal Protection and Takings Clauses).

strong enough to succeed, especially considering that local ordinances enjoy a presumption of reasonableness and constitutional validity.[25]

A. The Contracts Clause

The Contracts Clause states, "No State shall… pass any… Law impairing the Obligation of Contracts,"[26] and the analysis involves three steps. First, the "threshold inquiry is 'whether the [] law has, in fact, operated as a substantial impairment of a contractual relationship.'"[27] If it has, then a court determines whether there is a "significant and legitimate public purpose behind the regulation."[28] Finally, government involvement in "[adjusting] the rights and responsibilities of contracting parties [must be based] upon reasonable conditions and [be] of a character appropriate to the public purpose justifying [the legislation's] adoption."[29]

1. The Threshold Inquiry – Substantial Impairment of a Contractual Relationship

When the Supreme Court analyzes a state law under the Contract Clause, the threshold inquiry is whether the law has "operated as a substantial impairment of a contractual relationship."[30] This analysis has been applied by the Ninth Circuit in the context of a municipal living wage ordinance in RUI One Corp. v. City of Berkeley, 371 F.3d 1137, (9th Cir. 2004). The court in that case found that expansion of the ordinance's applicability to certain employers located on public trust lands did not impair any contractual terms of a restaurant's lease agreement with the City, including that which required the restaurant to use its best judgment and ability to maximize profits.[31] The recognized components of this initial inquiry are "whether there is a contractual relationship, whether a change in law impairs that contractual relationship, and whether the impairment is substantial."[32]

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[25] Goldblatt v. Town of Hempstead, N. Y., 369 U.S. 590, 595-96 (1962).
[26] United States Const. art. I, § 10, cl. 1.
[27] Energy Reserves Group, Inc. v. Kansas Power and Light Co., 459 U.S. 400, 411 (1983), quoting Allied Structural Steel Co. v. Spannaus, 438 U.S. 234, 244 (1978).
[28] Energy Reserves at 411.
[29] Id. at 412.
[30] Gen. Motors Corp. v. Romein, 503 U.S. 181, 186 (1992).
[31] RUI at 1148-53.
[32] RUI at 1147, quoting Romein at 186.

The existence of a contractual relationship turns on whether the parties have manifested assent to the specific issue addressed by the law.[33] Although the ordinance in RUI did not impair the lease contract with the City, no question was raised with regard to the employer's contracts with its employees. An employer may argue that where the terms of an employment agreement are based on a certain rate of pay, the parties have necessarily manifested assent to the specific issue addressed by a minimum wage ordinance, and a contractual relationship may be found. It may be further argued that a minimum wage ordinance impairs the contractual relationship because it affects a basic term of the contract on which the employer relied.[34]

Even if there is a contractual relationship that has been impaired, the severity of the impairment is informed by existing regulations. "In determining the extent of the impairment, we are to consider whether the industry the complaining party has entered has been regulated in the past."[35] Minimum wage regulations have steadily broadened in legislative source and application along with changing societal circumstances across several decades.[36] Thus, it could be argued that an employer can reasonably expect continued regulatory changes, and any impairment should be considered to be insubstantial.

2. Legitimate Public Purpose

If a municipal minimum wage ordinance is found to be a substantial impairment of a contractual relationship, then it must serve a legitimate public purpose in order to be valid. "[T]he court must inquire whether 'the [legislative body], in justification, [has] a significant and legitimate public purpose behind the regulation, such as the remedying of

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[33] Romein at 188 (finding no contractual relationship where, in negotiating employment contracts, the parties would not have been able to consider the future effects of fluctuating state law on benefits); RUI at 1148 (finding no contractual relationship regarding specific wage amounts where a restaurant's lease with the City required the use of best judgment in management to maximize profits).
[34] See Spannaus at 246.
[35] Energy Reserves at 411, 416 (finding no impairment of a contractual relationship where (1) contracts for natural gas stated that their terms were subject to "present and future state and federal law," and (2) the "regulation existed and was foreseeable as the type of law that would alter contract obligations").
[36] See United States Department of Labor, History of Changes to the Minimum Wage Law, http://www.dol.gov/whd/minwage/coverage.htm (accessed October 6, 2014); Changes in Basic Minimum Wages in Non-Farm Employment Under State Law: Selected Years 1968 to 2013, http://www.dol.gov/whd/state/stateMinWageHis.htm (accessed October 22, 2014).

a broad and general social or economic problem,' to guarantee that 'the State is exercising its police power, rather than providing a benefit to special interests.'"[37]

The public purpose iterated by Maine's legislature in implementing the state minimum wage is that "workers employed in any occupation should receive wages sufficient to provide adequate maintenance and to protect their health, and to be fairly commensurate with the value of the services rendered."[38] Wages sufficient to provide adequate maintenance vary both temporally and by locality. Federal and State minimum wages have increased over time in an attempt to keep up with the cost of living across the nation and within states broadly.[39] As the cost of living in a particular locality differs from these broad averages over time, so do the "wages sufficient to provide adequate maintenance."

The public purpose of a minimum wage for Portland would also include the consideration that wages are "sufficient to provide adequate maintenance" at the locality. A municipal minimum wage ordinance would help provide adequate maintenance for Portland residents by mitigating the overall relatively high cost of living in Maine's largest city, which, unlike most other Maine localities, is exacerbated by an increasingly limited housing supply. Thus, a minimum wage ordinance in Portland would have a "significant and legitimate public purpose," and the requirements of the second prong of the Contract Clause analysis are likely to be found to be met.

3. Reasonable Conditions and Appropriate Character

"Finally, the court must inquire whether the adjustment of the rights and responsibilities of contracting parties is based upon reasonable conditions and is of a character appropriate to the public purpose justifying the legislation's adoption. [It] is customary in reviewing economic and social regulation [that] courts properly defer to legislative judgment as to the necessity and reasonableness of a particular measure."[40]

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[37] RUI at 1147, quoting Energy Reserves at 411-12, 417 (upholding a state statute that may have impaired contracts somewhat by capping intrastate prices, but that also had a purpose "to protect consumers from the escalation of natural gas prices caused by deregulation").
[38] 26 M.R.S. § 661 (2014).
[39] See supra, n. 13.
[40] RUI at 1147 (internal quotations omitted), quoting Energy Reserves at 412-13.

In addressing the public purpose to provide workers with wages sufficient for their adequate maintenance, a local minimum wage ordinance is a contractual adjustment of appropriate character because minimum wages generally have borne the test of time on both national and state scales as regulation of acceptable character. Increasingly, municipalities across the nation are also implementing minimum wages, and where challenged thus far, their legitimacy has been upheld.[41] Furthermore, the presumption of validity applied to duly enacted local ordinances, under Maine's home rule, supports the appropriate character of a minimum wage ordinance to ensure local wage sufficiency.

Portland's municipal minimum wage ordinance will be based upon reasonable conditions because its parameters will reflect standards common to locally enacted legislation and include considerations of precedent, compatibility, and constitutionality. Thus, the requirements of the third prong of the Contract Clause analysis are likely to be found to be met, and no violation of the clause should be found to exist.

B. Due Process

Although historical economic due process analysis has been replaced by the modern Contract Clause analysis described above,[42] other due process claims may be attempted.[43] The living wage ordinance in RUI included an opt-out provision for employers that were subject to bargaining agreements, and the plaintiffs claimed that this was an unconstitutional delegation of legislative authority to the unions.[44] This argument did not pass muster because the court recognized that the legislative body created the law in the first instance, and the opt-out provision was "simply a condition of the ordinance's application."[45]

Though due process claims against municipal minimum wage ordinances may be attempted, the common law generally stacks up against them, and such claims should not be successful. "[That the] power under the Constitution to restrict freedom of contract…

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[41] Id. at 1151 (expansion of municipal minimum wage applicability did not "impair[] 'the very value bargained for' in the agreement" between restaurateur and the City); New Mexicans at 1173 ("The City has the power to set a minimum wage for private employers that is higher than that mandated by the state. The ordinance does not conflict with state law and is not otherwise unconstitutional.")

[42] RUI at 1141-42, 1151.

[43] The Fourteenth Amendment states, "nor shall any State deprive any person of life, liberty, or property, without due process of law". United States Const. amend. XIV, § 1.

[44] RUI at 1156.

[45] Id. at 1157 (internal quotations omitted).

may be exercised in the public interest with respect to contracts between employer and employee is undeniable."[46] "Liberty under the Constitution is thus necessarily subject to the restraints of due process, and regulation which is reasonable in relation to its subject and is adopted in the interests of the community is due process."[47]

C. Equal Protection

Equal Protection challenges have been similarly unsuccessful. These have involved claims of unfair targeting as well as arbitrariness in implementation of local wage ordinances. As long as fundamental rights or suspect classes are not implicated, the rational basis level of scrutiny allows municipalities sufficient leeway to craft ordinances that effect their public purposes.

In RUI, the plaintiffs claimed that the minimum wage expansion unfairly targeted them because it affected only a limited number of employers that were located in a particular geographic area.[48] The Ninth Circuit recognized that the case did not involve a suspect class nor a fundamental right, that it addressed "social and economic policy," and recognized that any rational basis for the legislation would support it.[49] The court then went on to quote precedent that accepted implementations of laws that were incremental or phased in approach, or targeted particular sectors or geographic regions, and held that the reasons stated in the City's findings provided a rational basis.[50]

In New Mexicans, the plaintiffs claimed that the exemption for businesses with less than 25 employees was arbitrarily selected and violated state equal protection. The court acknowledged that similarly situated individuals, such as small businesses with slightly more or less than 25 employees, would be treated differently and applied rational basis scrutiny. The Council's desire to reduce the number of small businesses impacted while affecting the number of employees to a lesser degree was an acceptable basis as a "tradeoff" that constituted "classic line-drawing in legislative policymaking."[51]

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[46] W. Coast Hotel Co. v. Parrish, 300 U.S. 379, 392-93 (1937) (upholding Washington's minimum wage statute and recognizing that the "essential limitation of liberty in general governs freedom of contract in particular").
[47] W. Coast Hotel at 391.
[48] RUI at 1154.
[49] Id.
[50] Id. at 1155-56.
[51] New Mexicans at 1167.

A municipal minimum wage ordinance for Portland is not likely to be found to violate the Equal Protection Clause, as long as the details of its implementation do not trigger a higher level of constitutional scrutiny (which they do not appear to do at this stage in the process).

D. Takings

Finally,in response to a plaintiff's claim that Santa Fe's minimum wage ordinance constituted a taking of private property under New Mexico's Constitution, the Court of Appeals surveyed federal case law and found direct conflict with the claim.[52] The court went on to acknowledge that:

"Plaintiffs have not directed us to any authority, and we have found none, in which a minimum wage law has been viewed as a violation of either the federal or a state takings clause. We decline to be the first, particularly where we cannot identify any limiting principle that would prevent such a holding from potentially converting the vast majority of public health, safety, and welfare regulations, which typically burden businesses with some additional costs, into takings of private property by the state."[53]

Generally, takings jurisprudence requires a much higher level of impact on personal property rights than would be implicated by Portland's proposed minimum wage ordinance, and therefore such arguments would most likely fail as well.

IV. Conclusion

Overall, a local minimum wage ordinance would seem to pass muster under all the legal tests described above. With that said, I am still concerned that this issue has not yet been litigated in Maine, and that future enforcement of the proposed ordinance may prove difficult.

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[52] New Mexicans at 1169 ("See Connolly v. Pension Benefit Guar. Corp., 475 U.S. 211, 222–23 [] (1986) (providing minimum wage laws as an example of regulations that do not constitute a taking); see also McGrew v. Indus. Comm'n, 96 Utah 203, 85 P.2d 608, 611 (Utah 1938) (holding that a minimum wage law is not a taking because an employer is neither required nor forbidden to employ anyone and no property right is being taken from the employer). In Commonwealth Edison Co. v. United States, 271 F.3d 1327, 1339 (Fed.Cir.2001) (in banc), the Court of Appeals for the Federal Circuit extracted from the plurality opinion in Eastern Enterprises v. Apfel, 524 U.S. 498 [] (1998), the conclusion that a majority of the United States Supreme Court has "rejected the theory that an obligation to pay money constitutes a taking." Commonwealth Edison Co., 271 F.3d at 1339.")

[53] New Mexicans at 1169.

A YEAR OF ACTION:
PROGRESS REPORT ON RAISING THE MINIMUM WAGE

Executive Office of the President

August 2014

THE WHITE HOUSE
WASHINGTON

Embargoed for 3:00 PM on Tuesday, August 12, 2014

This Report Was Prepared by the National Economic Council, the Domestic Policy Council, the Office of Public Engagement and Intergovernmental Affairs, the Council of Economic Advisers, and the Department of Labor

A YEAR OF ACTION:
Progress Report on Raising the Minimum Wage

In his State of the Union address on January 28, 2014, President Obama called on Congress to raise the minimum wage to $10.10 an hour. But as part of what he termed a "year of action," the President also made clear that even as he pressed Congress to act, it was possible to make progress in the meantime – through steps that states, cities, counties and businesses could take to raise wages, as well as through executive action.

Despite efforts by leaders like Senator Tom Harkin and Representative George Miller to pass a $10.10 minimum wage, Congressional Republicans have thus far blocked proposals to raise the national minimum wage. But state legislatures and governors; mayors, county executives and city councils; and business leaders have answered the call, and the President has taken action on his own to raise the minimum wage for workers on new Federal contracts. Together, their efforts will result in higher wages for millions of Americans across the country. They also illustrate how the broad-based support for a higher minimum wage – bolstered by economic evidence on the benefits of higher wages to workers, businesses and the economy – has helped build momentum for wage increases across the country.

This report provides an update on the progress that has been made as a result of a nationwide push for a higher minimum wage, including:

- **About 7 million workers will benefit from state minimum wage increases passed since the President's initial call in 2013:** Since the President called for a minimum wage increase in early 2013, 13 states and the District of Columbia have passed increases to their minimum wage. According to new estimates from the Council of Economic Advisers (CEA), about 7 million workers will benefit from these increases as of 2017.

- **The Administration is implementing the President's Executive Order to raise the minimum wage for workers on new Federal contracts – which will benefit nearly 200,000 workers:** The Administration is on track to implement by the end of the year a new Executive Order raising the minimum wage for workers on new Federal contracts to $10.10 an hour, which is estimated to benefit nearly 200,000 workers by 2019.

- **Cities and counties have also taken steps to raise their wages:** Cities like Philadelphia, Louisville, and St. Louis have raised the minimum wage for their employees and contractors, joining other cities and counties that have raised wages for all local workers.

- **Businesses – both large and small – are taking action:** Since the beginning of the year, large companies like Gap Inc., Disney, and IKEA as well as small businesses across the country have announced increases to their starting wages. For example, Gap Inc.'s increase in its starting wage to $10 an hour by next year will benefit 65,000 workers – and has already helped increase applicants for new positions by 10 percent.

States, Cities and Businesses Taking Action to Raise Their Workers' Wages

Even in the absence of Congressional action, states are taking steps to raise wages. During his State of the Union address this January, as the President called on Congress to raise the federal minimum wage to $10.10, he also urged state and local officials to pass minimum wage: "To every mayor, governor, and state legislator in America, I say, you don't have to wait for Congress to act." State legislatures and governors; mayors, county executives and city councils; and business leaders have all identified the benefits that come with raising the minimum wage – from increased spending in the local economy to higher productivity on the job – and responded.

THE CASE FOR RAISING THE MINIMUM WAGE

- **Adjusted for inflation, the value of the minimum wage has fallen by a third from its peak:** In real terms, the minimum wage is now less than it was in 1981, at the beginning of the Reagan Administration. The Federal minimum wage is now only about 36 percent of the average wage, down from its peak of over 50 percent.

- **Raising the minimum wage would benefit about 28 million workers:** According to CEA estimates, about 28 million workers would benefit from an increase of the minimum wage – with more than 19 million earning less than $10.10 and benefiting directly, and an additional 9 million low-wage workers benefitting from the "ripple effect" of an increase.

- **A minimum wage increase would disproportionately benefit working women:** Women account for more than half (55 percent) of all workers who would benefit from increasing the minimum wage to $10.10, and account for 72 percent of workers in predominantly tipped occupations (like restaurant servers, bartenders, and hairstylists) who would benefit from the first increase in the tipped minimum wage in over 20 years. More broadly, only 12 percent of workers benefiting from a minimum wage increase are teenagers and the remainder of the beneficiaries include a wide cross section of families with children, couples, and others.

- **Raising the minimum wage would help the economy today:** Because low-wage workers are most likely to spend the additional money they earn, increasing their wages would help to increase aggregate demand and strengthen the economy today. For example, a study released by economists at the Federal Reserve Bank of Chicago found that raising the minimum wage would raise growth by 0.3 percentage point in the short run.

- **A $10.10 minimum wage would lift 2 million out of poverty:** Currently, a family of four with one full-time worker earning the $7.25 minimum wage is 17 percent below the poverty line, including tax credits. A $10.10 minimum wage would raise that family of four to above the poverty line – and in total, would lift an estimated 2 million families out of poverty.

State Activity

PRESIDENT BARACK OBAMA DELIVERS REMARKS ON THE MINIMUM WAGE AT CENTRAL CONNECTICUT STATE UNIVERSITY IN NEW BRITAIN, CONNECTICUT, MARCH 5, 2014. THE PRESIDENT IS JOINED BY GOV. DANNEL MALLOY OF CONNECTICUT; LABOR SECRETARY THOMAS PEREZ, GOV. PETER SHUMLIN OF VERMONT, GOV. LINCOLN CHAFEE OF RHODE ISLAND, AND GOV. DEVAL PATRICK OF MASSACHUSETTS. (OFFICIAL WHITE HOUSE PHOTO BY PETE SOUZA)

Since the President first proposed raising the federal minimum wage in his 2013 State of the Union Address, 13 states and the District of Columbia have passed laws to increase the minimum wage. Jeanne Mejeur, a senior researcher at the National Conference of State Legislatures, noted in the *New York Times* of the nationwide effort to raise wages: “This is the first time where there have been quite a few states that have gone over the threshold of $10 per hour … This is the first time that I’ve seen the states proposing these kinds of numbers.”

As one example of the momentum to raise wages in states across the country, on March 5, four governors – Dannel Malloy of Connecticut, Deval Patrick of Massachusetts, Lincoln Chafee of Rhode Island, and Peter Shumlin of Vermont – appeared with the President in Connecticut to support raising the minimum wage to $10.10. Three weeks later, the Connecticut legislature passed and Governor Malloy signed an increase in the state’s minimum wage to $10.10 by 2017, legislation closely aligned with the Harkin-Miller bill in Congress. Governor Malloy signed the bill at Café Beauregard, a small business in New Britain that pays its employees above the minimum wage – a location where President Obama and the four Governors dined at during the President’s visit to Connecticut. As Governor Malloy explained, “Connecticut was the first state that answered the President's call to increase our state's minimum wage to $10.10 because it's the right thing to do for our workers, for our businesses, and our communities. Full time workers shouldn't live in poverty and we know higher wages boost economic activity."

The three additional governors who stood with the President in March – Patrick, Chafee, and Shumlin – have all signed minimum wage increases in their states. Massachusetts raised its minimum wage to $11 by 2017, Rhode Island raised it to $9 by 2015, and Vermont raised it to $10.50 by 2018. Additional states including Maryland, Hawaii and Minnesota have used the President's call to action to help catalyze efforts to pass minimum wage increases to or near $10.10 an hour. As Maryland Del. Tom Hucker said: "President Obama's call to action was a powerful shot in the arm for efforts to raise the minimum wage in Maryland to $10.10 an hour. Before the President issued his challenge to states, previous efforts to raise Maryland's minimum wage had failed. His challenge was the catalyst that helped spur successful legislative action in Maryland and other states and cities."

New estimates by the Council of Economic Advisers illustrate how these statewide increases are poised to raise wages for millions of workers across the country. According to these estimates, more than 7 million workers will experience an increase in their wages as of 2017 as a result of statewide actions, compared to current law.[1]

States That Have Passed Increases to the Minimum Wage in 2013 and 2014

State	New Minimum Wage[2]	# of Workers Benefitting as of 2017
States That Passed Increases in 2014		
Connecticut	$10.10 by 2017	138,000
Delaware	$8.25 by 2015	30,000
Hawaii	$10.10 by 2018	71,000
Massachusetts	$11 by 2017	540,000
Maryland	$10.10 by 2018	286,000
Minnesota	$9.50 by 2016, indexed for inflation	347,000
Michigan	$9.25 by 2018, indexed for inflation	482,000
Rhode Island	$9 by 2015	51,000
Vermont	$10.50 by 2018, indexed for inflation	20,000
West Virginia	$8.75 by 2016	95,000

[1] This estimate includes people who will benefit from the executive order raising the minimum wage for federal contractors to $10.10, those who live in cities who plan to raise their minimum wage above that of the state's current level and those who work for companies who have announced plans to raise their minimum wage above that of the state's current level.

[2] For states that passed increases in both 2013 and 2014, only the 2014 increase is listed.

States That Passed Increases in 2013

California	$10 by 2016	3,323,000
D.C.	$11.50 by 2016, indexed for inflation	43,000
New Jersey	$8.25 by 2014, indexed for inflation	510,000
New York	$9 by 2016	994,000
TOTAL		***7,038,000***

Local Activity

Just as states have taken action, cities and counties have also pursued steps to raise minimum wages on their own – whether for their own workers, for their contractors, or for all workers.

Cities like Louisville, Philadelphia, St. Louis, Santa Monica, Calif., and Ypsilanti, Mich. have raised wages to $10.10 or higher for their city workers or contractors. In January, St. Louis Mayor Francis Slay described his action to raise wages for city workers and contractors as responding to the President's call: "Tonight during the State of the Union speech, President Obama announced his intention to re-set the minimum hourly wage for employees on new federal contracts to $10.10, a step toward a larger goal of setting all workers' wages at levels high enough to support families. This is a useful step and an important goal. I hope other employers will follow the President's example. The City of St. Louis will." In May, Philadelphia Mayor Michael Nutter similarly cited the President's efforts as helping to drive his action to raise wages for contract workers: "Today, I will in fact answer the president's call," Nutter said. "I will sign an executive order that gives Philadelphians a raise right now."

Other cities like Seattle, Richmond, Calif., Berkeley, Calif., and Las Cruces, N.M. have raised wages citywide, as have counties like Montgomery and Prince George's in Maryland, which raised them in tandem with Washington, D.C.

Mayors across the country have also called for additional steps to raise wages. In addition to endorsing a national increase of the minimum wage to $10.10 per hour, the United States Conference of Mayors passed a resolution earlier this year supporting "state and local government efforts to set their own minimum wages above the federal minimum wage to help [the] lowest paid workers keep pace with the rising cost of living."

Business Activity

The President also called on business leaders to "do what you can to raise your employees' wages." As the Council of Economic Advisers explained in a February presentation, "The Economic Case for Raising the Minimum Wage," decades of research on the minimum wage illustrates how raising the minimum wage could help businesses in several key ways. As the CEA summarized its findings (citations available in the original document):

- **Raising wages can increase productivity:** First of all, raising the minimum wage can increase motivation. Workers are motivated directly by feeling they are receiving a fair wage. Higher wages can increase employee morale, which raises productivity. In addition, higher wages help workers maintain better physical and mental health, allowing them to be more productive at work.

- **Raising wages can reduce turnover and save on recruiting/training costs:** Higher wages lead to lower turnover, reducing the amount employers must spend recruiting and training new employees.

- **Raising wages can reduce absenteeism:** When workers are paid higher wages, they are absent from work less often, increasing both their own productivity and that of their coworkers.

Businesses have taken their own steps to raise wages above the level required by law, following the lead of businesses like Costco that had already set an example by paying its workers well above the minimum. Gap Inc. will establish a minimum of $10 next year, benefiting 65,000 of its 90,000 American employees. The company has reported that job applications at Gap and Old Navy have since increased at least 10 percent. IKEA took a similar step raising hourly wages at its 38 stores across the United States, and Disney recently announced starting wages at Walt Disney World would increase to $10 an hour in 2016.

What Research Says About the Impact of the Minimum Wage on Employment

A wide range of economic research has found no significant impact on employment from raising the minimum wage. As summarized by CEA earlier this year:

- Seven Nobel Prize Winners, eight former Presidents of the American Economic Association and over 600 other economists recently summarized the literature on the employment effects of the minimum wage in this way: “In recent years there have been important developments in the academic literature on the effect of increases in the minimum wage on employment, with the weight of evidence now showing that increases in the minimum wage have had little or no negative effect on the employment of minimum-wage workers, even during times of weakness in the labor market.”

- Pioneering research conducted by David Card and Alan Krueger in a 1994 study published in the *American Economic Review* in 1994 found that fast food restaurants in New Jersey did not cut back employment relative to Pennsylvania after the former State raised its minimum wage. They concluded, “We find no indication that the rise in the minimum wage reduced employment.” The Card-Krueger research was generalized by Arindrajit Dube, T. William Lester, and Michael Reich who compared 288 pairs of contiguous U.S. counties with minimum wage differentials from 1990 to 2006. Based on this, researchers found “no adverse employment effects” from a minimum wage increase.

- A recent literature review of the extensive published work on the minimum wage concluded: “[W]ith 64 studies containing approximately 1,500 estimates, we have reason to believe that if there is some adverse employment effect from minimum-wage raises, it must be of a small and policy-irrelevant magnitude.”

- John Schmitt at the Center for Economic Policy Research concluded that “The employment effects of the minimum wage are one of the most studied topics in all of economics. This report examines the most recent wave of this research – roughly since 2000 – to determine the best estimates of the impact of increases in the minimum wage on the employment prospects of low-wage workers. The weight of that evidence points to little or no employment response to modest increases in the minimum wage.”

Small businesses have also acted – consistent with multiple surveys of small businesses conducted by the American Sustainable Business Council, Business for a Fair Minimum Wage, and the Small Business Majority that show a majority of small businesses supporting an increase in the minimum wage. For example:

- Chuck and Don’s – a 25-store chain of pet food stores based in Minnesota – raised its minimum wage to $10.10 in March, retroactive to the 2014 State of the Union. “We want everyone who contributes to the company to share in its successes,” said CEO Bob Hartzell.

- Euclid Hospitality Group, owners of the Pi Pizzeria and Gringo restaurants in St. Louis, implemented a $10.10 per hour minimum wage in restaurants in March 2014, with co-owner Chris Sommers noting, “We began researching it in the fall and concluded that we can pay for this through (savings) associated with turnover and improved morale.

- Pizza King Indianapolis franchise owner Aaron Schaler pledged to pay all of his workers more than $10 per hour in April, noting that “happy employees are productive employees.”

- RecycleForce, a social enterprise that provides recycling services and workforce training, announced in February that it was raising its minimum wage to $10.10 per hour for its hourly staff, explaining that raising wages is smart for helping families. RecycleForce President Gregg Keesling explained: “After the President’s speech, two of our employees asked, ‘Are you one of those federal contractors the President’s order impacts?’ While the executive order does not apply to us at this time, their attention to the President’s speech impressed me and prompted me to consider voluntarily raising our minimum wage to $10.10 per hour.”

Similarly, colleges and universities have raised wages for their workers. Earlier this year, Centenary College in Louisiana announced it would raise wages for its staff to at least $10.10 an hour. Hampton University President William Harvey took a similar step, donating $108,000 to raise that university’s minimum wage for permanent full-time staff to $9 an hour—benefiting 121 housekeepers, cafeteria workers, and maintenance staff. Recently, Kentucky State University interim president Raymond Burse decided to return $90,000 of his salary in order to raise the university’s minimum wage to $10.25.

WHY BUSINESSES INCREASE THEIR WAGES

- **Glenn K. Murphy, Chairman and CEO, Gap Inc.**
  To us, this is not a political issue. Our decision to invest in front-line employees will directly support our business, and is one that we expect to deliver a return many times over.

- **Craig Jelinek, CEO and President, Costco**
  At Costco, we know that paying employees good wages makes good sense for business. We pay a starting hourly wage of $11.50 in all states where we do business, and we are still able to keep our overhead costs low. An important reason for the success of Costco's business model is the attraction and retention of great employees. Instead of minimizing wages, we know it's a lot more profitable in the long term to minimize employee turnover and maximize employee productivity, commitment and loyalty. We support efforts to increase the federal minimum wage.

- **Rob Olson, U.S. Acting President and Chief Financial Officer, IKEA**
  At IKEA, we are guided by our mission 'to create a better everyday life for the many people,' a vision that includes our co-workers, customers and the communities impacted by our business. The transition to the new minimum hourly wage structure is not only the right thing to do, it makes good business sense. We are basing our wages on our co-workers and their needs, rather than what the local employment market dictates. Our focus is to ensure that IKEA is a great place to work by providing an environment that develops our co-workers and also meets our customers' expectations. All of this contributes to our business success.

- **Randy Garutti, CEO, Shake Shack**
  Our turnover is lower, we can hire the best, they stay longer, and we can grow them into management. If the team feels taken care of, then they'll go out and take care of the guests.

- **Gina Schaefer, Owner, A Few Cool Hardware Stores, a group of nine Ace Hardware stores in Washington, D.C., and Maryland.**
  As a small business owner, I am a firm believer that raising the minimum wage is the right thing to do. It will mean more money in the hands of those who need it, allowing them to pay for daily necessities without sacrificing their other basic needs. And increased wages means more money in peoples' pockets that they then put back into the economy, which is good for businesses.

Taking Action to Support Federal Contract Workers

In January, the President made clear that while he was calling on state, local and business leaders to take action, he would also take the available actions within his power to raise wages. On February 12, 2014, he issued Executive Order 13658, which increased the minimum wage to $10.10 for workers on Federal contracts and indexed the applicable minimum wage to inflation starting in 2016. The Executive Order will also increase the tipped minimum wage for federal contractors to $4.90, with additional increases of $0.95 annually until it reaches 70 percent of the full minimum wage.

As noted elsewhere in this report, existing evidence suggests that raising the wages of contracted workers will boost their morale, productivity, and quality of work. It will also lower turnover and the costs of hiring new workers and supervisory costs. Together, these effects will increase efficiency and cost savings in government contracting.

To implement the Executive Order, the Department of Labor published a Notice of Proposed Rulemaking on June 17. A final rule is to be issued by October 1, 2014, with the $10.10 minimum wage required for new contracts when the solicitation is issued on or after January 1, 2015. Additionally, the Office of Management and Budget and the Department of Labor issued a memorandum to Federal agencies strongly encouraging them to begin implementing a $10.10 minimum wage as soon as possible.

The proposed rule covers contracts for construction covered by the Davis-Bacon Act; contracts for services under the Service Contract Act; concessions contracts, such as contracts to provide food, lodging, fuel, souvenirs, newspaper stands, and recreational equipment on federal property; and contracts entered into by the federal government in connection with federal property or lands and related to offering services for federal employees, their dependents, or the general public, such as child care or dry cleaning in Federal buildings.

The proposed rule would cover workers doing work under these contracts who are otherwise entitled to the Fair Labor Standards Act minimum wage or prevailing wages under the Davis-Bacon Act or the Service Contract Act. The Executive Order also specifically noted that the minimum wage requirement would apply to workers with disabilities whose wages are calculated pursuant to 29 U.S.C. 214(c).

The rule's economic analysis estimates that the Executive Order will directly benefit nearly 200,000 Federal contract workers by 2019.

Next Steps

As this report shows, efforts by states, cities and businesses – as well as executive action taken by the President – is set to raise wages for millions of Americans across the country. Over the coming months, the Administration will continue to implement the President's Executive Order raising wages for new workers on Federal contractors. At the same time, he will continue to make the case for a minimum wage increase – both for Congressional action to raise it nationally, and for additional progress among states, cities and businesses raising wages themselves.

History of Executive Action:

- Every President since President Eisenhower has used executive authority to provide temporary immigration relief.

- In fact there have been 37 instances of President's using executive authority since 1956

- 1990 Large-Scale Action: In 1990, President Bush granted deferred deportation to undocumented spouses and children of individuals who legalized under the 1986 Immigration Reform and Control Act signed by President Reagan. President Bush's action provided relief to up to 1.5 million family members.

- **Note:** President Bush's INS Commissioner issued blanket "Family Fairness" policy after legislation providing similar relief had passed the Senate, but not in the House.

Other Examples of Immigration EAs below and attached:

- 1997: Clinton – Deferred action for those who would qualify under VAWA

- 1989, 1990: Bush Sr. – deferred action for 80,000 U.S. Chinese after Tiananmen Square

- 1987: Reagan AG – deferred deportation for up to 200,000 Nicaraguans

- 1977: Carter – suspension of deportation for ~250,000 individuals suing government because the State Department incorrectly calculated visa cap

- 1956: Eisenhower – 923 orphans were paroled into the custody of their adoptive or prospective adoptive parents, pending Congressional legislation providing permanent resident status.