

## Sacramento Becomes Latest City to Approve Increase in Minimum Wage

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On November 2, 2015, the ***Service Employees International Union (SEIU)*** filed a ballot initiative entitled, “Raise California’s Wage and Paid Sick Days Act of 2016” (the Act). The stated purpose of this initiative is to raise the minimum wage and increase guaranteed paid sick leave for workers. The Act, if passed, would begin raising the minimum wage in 2016, and by July 2020, would bring the minimum wage to \$15 an hour for employers who employ 26 or more workers; employers with less than 26 employees would reach the \$15 an hour minimum wage in July 2021. Another important piece of the Act allows local governments across California to require a higher minimum wage than the state. As the second largest union of public sector employees, the SEIU has the manpower and resources to get the initiative on the ballot and conduct an election campaign.

This ballot initiative comes on the heels of the Sacramento City Council approving an increase in the city’s minimum wage. On October 27, 2015, Sacramento City Council approved an increase in the city’s minimum wage to \$12.50 an hour by 2020, with further increases after 2020 following the Consumer Price Index. The increase was recommended last month by a task force convened by Mayor Kevin Johnson. Along with the increase in wages, exemptions to the new minimum wage were also recommended by the task force.

Announced in September 2015, the original plan included a “total compensation” provision that would have allowed employers to pay the lower state minimum wage if they could prove that their employees made at least \$15 an hour when tips were included. The Office of Legislative Council deemed that provision illegal, and it was removed from the plan.

On the night of the vote, a last-minute compromise changed some provisions of the original plan. New “credits” were added to the proposal that would allow employers to pay \$2 an hour under the minimum wage if health care is provided to workers, and other credits would be available for providing job training to employees. In addition, the new minimum wage would be delayed by one year for small businesses (businesses and nonprofits with fewer than 100 employees).

Sacramento is the latest city in recent months to follow the minimum wage increase trend. Earlier this year, Los Angeles Mayor Eric Garcetti signed into law a bill raising the minimum wage in his city from \$9 to \$15 an hour over the next five years and Seattle passed an ordinance to gradually raise its minimum wage to \$15 an hour. In the private sector, Wal-Mart announced its decision to raise the wages of nearly a half-million workers to above the federal minimum wage, and home health-care workers held demonstrations across the country campaigning for a higher minimum wage.

On November 10, 2015, the “Fight for 15” movement will hold simultaneous strikes in the fast food industry across the country in its quest for \$15 an hour minimum wage.

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