

File No. 230609

Committee Item No. \_\_\_\_\_

Board Item No. 47

## COMMITTEE/BOARD OF SUPERVISORS

### AGENDA PACKET CONTENTS LIST

Committee: \_\_\_\_\_

Date: \_\_\_\_\_

Board of Supervisors Meeting

Date: June 6, 2023

#### Cmte Board

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| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Resolution                                   |
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| <input type="checkbox"/> | <input type="checkbox"/>            | Legislative Digest                           |
| <input type="checkbox"/> | <input type="checkbox"/>            | Budget and Legislative Analyst Report        |
| <input type="checkbox"/> | <input type="checkbox"/>            | Youth Commission Report                      |
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| <input type="checkbox"/> | <input type="checkbox"/>            | Form 126 – Ethics Commission                 |
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#### OTHER

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| <input type="checkbox"/> | <input checked="" type="checkbox"/> | CSAC / LCC Standing              |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | CSAC Opposition Letter - 4/25/23 |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Senate Bill No. 525 - 2/14/23    |
| <input type="checkbox"/> | <input type="checkbox"/>            | _____                            |
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Prepared by: Lisa Lew

Date: June 2, 2023

Prepared by: \_\_\_\_\_

Date: \_\_\_\_\_

1 [Supporting California State Senate Bill No. 525 (Durazo) - Minimum Wage: Health Care  
2 Workers]

3 **Resolution supporting California State Senate Bill No. 525, introduced by**  
4 **Senate Member Maria Elena Durazo (SD- 26), which would require a health care worker**  
5 **minimum wage of \$25 per hour for hours worked in covered health care employment,**  
6 **as defined, subject to adjustment, as prescribed.**

7  
8 WHEREAS, California is facing a healthcare workforce crisis, and the City and County  
9 of San Francisco is impacted by this shortage; and

10 WHEREAS, 85% of California hospitals, medical groups, home health providers, and  
11 other healthcare facilities are experiencing a shortage of allied healthcare professionals; and

12 WHEREAS, California was facing a shortage of 500,000 healthcare workers prior to the  
13 pandemic; and

14 WHEREAS, Staffing shortages have a significant negative impact on patient care and  
15 the current workforce providing this essential care; and

16 WHEREAS, Now, after facing the trauma and dangerous working conditions of the  
17 pandemic and struggling with low pay and poor working conditions, huge numbers of  
18 healthcare workers are leaving the field and many others are considering leaving; and

19 WHEREAS, In a survey of over 30,000 healthcare worker members of SEIU-UHW,  
20 83% of respondents said their department is understaffed; and

21 WHEREAS, According to the MIT Living Wage Calculator, the living wage for a San  
22 Francisco household with one working adult and no children is \$26.63 an hour, and the living  
23 wage for two working adults with two children is \$38.81 an hour for each adult; and

24 WHEREAS, Too many healthcare workers in our city are paid unsustainably low wages  
25 - sometimes as low as \$15.50/hour, clearly below the living wage; and

1           WHEREAS, Since the start of 2022, Los Angeles, Long Beach, Downey, and most  
2 recently Lynwood have all passed a healthcare worker minimum wage ordinance, and in  
3 November of 2022, voters in the city of Inglewood passed Measure HC, setting a citywide \$25  
4 minimum wage for healthcare workers; and

5           WHEREAS, San Francisco is considered the city with the highest cost of living in  
6 California, it is imperative that the City allies itself with the growing movement to increase  
7 healthcare worker pay; now, therefore, be it

8           RESOLVED, That the City and County of San Francisco supports Senate Bill No. 525  
9 that would require a health care worker minimum wage of \$25 per hour for hours worked in  
10 covered health care employment; and, be it

11          FURTHER RESOLVED, That the Clerk of the Board of Supervisors of the City and  
12 County of San Francisco transmit a copy of this Resolution to San Francisco's State  
13 Legislative Delegation, City and County of San Francisco State Lobbyist, California Governor  
14 Gavin Newsom and the bill's primary Sponsor, Senator Maria Elena Durazo.

**From:** [Carrillo, Lila \(BOS\)](#)  
**To:** [BOS Legislation, \(BOS\)](#)  
**Cc:** [Gee, Natalie \(BOS\)](#); [Prager, Jackie \(BOS\)](#); [Hernandez, Melissa G \(BOS\)](#)  
**Subject:** RE: Safai - Resolution Supporting SB 525 - Minimum Wage: Health Care Workers  
**Date:** Tuesday, May 23, 2023 6:07:19 PM  
**Attachments:** [CSAC Letter - RE SB 525.pdf](#)

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Hi Jocelyn,

Apologies for the oversight, please see attached CSAC letter. Correction, their position is listed as "Pending" (<https://ctweb.capitoltrack.com/public/publish.aspx?session=23&id=e8f65185-9e02-472f-b2ae-0974abc24c29>)

Thanks again,  
Lila

Lila Carrillo, Legislative Aide  
Supervisor Ahsha Safai, District 11  
San Francisco Board of Supervisors  
Office: 415.554.6975

Working from unceded Ohlone Territory

---

**From:** BOS Legislation, (BOS) <bos.legislation@sfgov.org>  
**Sent:** Tuesday, May 23, 2023 5:45 PM  
**To:** Carrillo, Lila (BOS) <lila.carrillo@sfgov.org>; BOS Legislation, (BOS) <bos.legislation@sfgov.org>  
**Cc:** Gee, Natalie (BOS) <natalie.gee@sfgov.org>; Prager, Jackie (BOS) <jackie.prager@sfgov.org>; Hernandez, Melissa G (BOS) <melissa.g.hernandez@sfgov.org>  
**Subject:** RE: Safai - Resolution Supporting SB 525 - Minimum Wage: Health Care Workers

Thank you Lila. Would you happen to have an opposition letter from CSAC to include to the file?

**Jocelyn Wong**

Legislative Clerk  
San Francisco Board of Supervisors  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco, CA 94102  
T: 415.554.7702 | F: 415.554.5163  
[jocelyn.wong@sfgov.org](mailto:jocelyn.wong@sfgov.org) | [www.sfbos.org](http://www.sfbos.org)

**(VIRTUAL APPOINTMENTS)** To schedule a "virtual" meeting with me (on Microsoft Teams), please ask and I can answer your questions in real time.

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---

**From:** Carrillo, Lila (BOS) <[lila.carrillo@sfgov.org](mailto:lila.carrillo@sfgov.org)>

**Sent:** Tuesday, May 23, 2023 5:34 PM

**To:** BOS Legislation, (BOS) <[bos.legislation@sfgov.org](mailto:bos.legislation@sfgov.org)>

**Cc:** Gee, Natalie (BOS) <[natalie.gee@sfgov.org](mailto:natalie.gee@sfgov.org)>; Prager, Jackie (BOS) <[jackie.prager@sfgov.org](mailto:jackie.prager@sfgov.org)>; Hernandez, Melissa G (BOS) <[melissa.g.hernandez@sfgov.org](mailto:melissa.g.hernandez@sfgov.org)>

**Subject:** Safaí - Resolution Supporting SB 525 - Minimum Wage: Health Care Workers

Dear Clerk Staff,

Please find attached **Safaí - Resolution- Supporting California Assembly Bill 525 (Durazo) – Minimum Wage: Health Care Workers** for consideration on the Adoption Without Committee Reference calendar.

The League of California Cities has taken a Watch position; California State Association of Counties has taken an opposition position on this bill. Staff e-mails from Supervisors Walton, Ronen, and Preston are included to confirm co-sponsorship.

Thank you,

Lila Carrillo, Legislative Aide  
Supervisor Ahsha Safai, District 11  
San Francisco Board of Supervisors  
Office: 415.554.6975

Working from unceded Ohlone Territory



April 25, 2023

The Honorable Anthony J. Portantino  
Chair, Senate Committee on Appropriations  
1021 O Street, Suite 7630  
Sacramento, CA 95814

**Re: SB 525 (Durazo): Minimum Wage Health Care Workers  
As Amended 4/17/23 – OPPOSE**

Dear Senator Portantino:

On behalf of the California State Association of Counties (CSAC), Urban Counties of California (UCC), and the Rural County Representatives of California (RCRC), we write in respectful opposition of SB 525 by Senator Durazo.

SB 525 proposes to raise the health care minimum wage broadly across the health sector to \$25 per hour, including for employees working in county agencies – specifically, county health departments, county mental health departments, county correctional health settings, county hospitals, and county owned and operated clinics. Additionally, SB 525 requires salaried employees to be paid twice the proposed \$25/hour minimum wage – creating a new salary base of \$104,000 per year. The measure also broadly applies the wage requirements to contractors within these facilities. Counties are estimating that the cost to implement the bill statewide across all 58 counties to be in excess of several hundreds of millions of dollars annually. When wage compression and compaction issues are factored in, the cost estimates increase exponentially. The cost estimates are discussed in more detail in the following pages.

***The Immense Breadth of County Services and Impact of SB 525***

County health departments are the public health experts monitoring and investigating diseases in the community, conducting testing and contact tracing, providing vaccination against disease, providing health education, inspecting restaurants, and addressing health disparities. County behavioral health departments provide mental health and substance use disorder services, primarily to California's low-income populations with serious mental illness and substance use disorders, through Medi-Cal and other programs. County health and mental health departments also prepare for and respond to natural disasters. Twelve counties own and operate hospitals, which primarily serve Medi-Cal beneficiaries and the remaining uninsured. Those twelve counties and additional counties own and operate health clinics.

County employees are generally represented by local bargaining units and counties negotiate in good faith to set wages and benefits for employees. We work with our labor partners in a variety of settings and recognize the important work of our employees. **SB 525 would undermine the collective bargaining process by requiring counties to raise wages substantially, which will impact county operations beyond the health care field.** Counties provide a vast array of municipal services to residents beyond health and behavioral health, including roads, parks, law enforcement, emergency response services and libraries. Counties also deliver services on behalf of the state for programs such as foster care, CalWORKs, and elections. Setting an hourly wage floor for employees in the health care field will undoubtedly impact the wages of our employees and contracted services in all aspects of county government, making the mandate required by SB 525 cost counties significantly more.

### ***1991 and 2011 Realignment Considerations***

County health functions are funded by 1991 Realignment (a combination of state sales tax and vehicle license fees), as well as other state and federal funds; county mental health services are funded by a combination of 1991 and 2011 Realignment, Mental Health Services Act, as well as other state and federal funds. In years where the Realignment revenues grow slowly or decline – as they have done several years since 1991, including during the Great Recession – counties would not have funds to cover this health care minimum wage increase. In addition, counties primarily serve Medi-Cal beneficiaries and reimbursement rates have remained stagnant. The current rate structure cannot absorb the costs proposed in this bill.

Counties have a unique role in providing health care services to low-income Californians. Welfare and Institutions Code section 17000 obligates counties to serve as the provider of “last resort” for indigent Californians who have no other means of support. Because of that requirement, counties focus on serving Medi-Cal beneficiaries and uninsured Californians in their hospitals, health systems, and clinics. Counties are not in the health care business to make a profit, instead they are focused on serving individuals with the fewest means – and the payer mix of patients they care for reflects that. Counties are important state partners in the Medi-Cal program. To the extent that SB 525 will increase costs without accompanying resources, counties may scale back the services they provide, thus impacting Medi-Cal recipients, low income, and uninsured Californians.

### ***SB 525 Fiscal Estimate***

A sampling of several counties consisting of approximately 35 percent of California’s total population estimates an immediate fiscal impact of approximately \$152.0 million, annually, if the minimum wage for covered health care employment and work performed on the premises of a covered health care setting is increased to \$25/hour. This aggregate estimate of the counties sampled estimates that about 14,669 employees would be impacted. It is important to note that the \$152.0 million annual estimate does not factor in other costs for employment, such as pension costs and other overhead. In addition, this estimate does not factor in other

significant downstream cost pressures, such as salary compression and compaction and other impacts that reverberate beyond. Extrapolated to all counties throughout the state, the \$152.0 estimated annual figure would increase exponentially and would still not include the additional cost pressures previously referenced. When wage compression/compaction issues are factored in, the estimated impact is much higher.

### ***Compression and Compaction Issues***

If the minimum wage for covered health care employment and work performed on the premises of a covered health care setting is raised to \$25/hour, there would be compression and compaction issues, causing a major impact to counties who would have to also increase the wages for workers in other sectors and for supervisorial employees. This creates significant downstream pressures on county budgets.

First, many counties have signed local labor agreements that will require them to increase wages for other workers outside of the healthcare system because of equal pay extensions. For example, if a custodian who works in a county hospital gets their wages raised to \$25/hour, then the county will also need to raise the wages of all custodians who are employed by the county to \$25/hour. Failing to do so would put the county in breach of previously agreed to labor contracts.

Second, if a supervisor is making wages at or near \$25/hour minimum prior to SB 525 going into effect, there will be additional wage pressures because direct reports or non-supervisory staff wages will be outpacing salary increases for supervisory employees. If the wage difference between supervisor and non-supervisors are too small (or even at matching wages), it may reduce the incentive for employees to accept the additional responsibilities of being a supervisor/manager, and can affect recruitment and retention. Addressing the wage differential will dramatically increase costs across all bargaining units.

Finally, if the minimum wage across the healthcare sector is increased to \$25/hour, it may eliminate differences in factors such as skills, performance, seniority, or tenure between different employees with similar job classifications. For example, the wage increase could result in a new or recent hire making as much as someone that has held the same or similarly classified position for several years – whose wages have increased over time as a result of performance and merit increases, cost of living adjustments, etc., and it would disincentivize retention. To effectively retain an experienced workforce and ensure that the workforce needs of counties are being met to fill positions to support county-administered services, there would need to be consideration to increasing the wages of longstanding employees as well, given that new employees would be making the same wage as a more seasoned employee.

To address the wage compression and compaction issues, counties will likely need a compensation study to evaluate appropriate grade increases across the organization and reopen collective bargaining agreements creating new unfunded administration processes to



The Honorable Anthony J. Portantino

April 25, 2023

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implement SB 525. Wage increases across a bargaining unit as a result of SB 525 would far exceed the increases for just the health care worker wage minimum proposed in this measure.

### **SB 525 Would Create Continued Cost Pressures on County Budgets**

Given that SB 525 includes an inflator of the greater of 3.5 percent or inflation, it is unlikely that existing revenue sources available to counties will grow sufficiently to cover the wage requirements in SB 525. Additionally, SB 525 would require implementation to begin next year – with no phase in over time – raising wages by \$9.50/hour from the current minimum wage of \$15.50/hour. We estimate the costs to implement SB 525 for counties alone will be in the range of hundreds of millions of dollars annually. With the uncertain state of the economy and anticipated state budget deficit, SB 525 will dramatically and significantly affect county budgets at precisely the time when they are least able to afford it.


Simply put, SB 525 is not sustainable for county government and undermines the local collective bargaining process. Counties will not be able to absorb the additional wage requirements in SB 525 without curtailing services to California's most vulnerable residents or laying off staff in non-health care sectors. The overall impact will be less services provided by county government to the public – and potentially fewer public sector employees to provide that work.

For these reasons, CSAC, UCC and RCRC respectfully oppose SB 525.

Sincerely,



**Kalyn Dean**  
Legislative Advocate  
[kdean@counties.org](mailto:kdean@counties.org)  
CSAC



**Kelly Brooks-Lindsey**  
Legislative Advocate  
[kbl@hbeadvocacy.com](mailto:kbl@hbeadvocacy.com)  
UCC



**Sarah Dukett**  
Policy Advocate  
[sdukett@rcrcnet.org](mailto:sdukett@rcrcnet.org)  
RCRC

Cc: The Honorable Maria Elena Durazo, Member, California State Senate District 26  
Members and Staff, Senate Committee on Appropriations  
Cory Botts, Senate Republican Labor Policy Consultant



## SB-525 Minimum wage: health care workers. (2023-2024)

SHARE THIS:



Date Published: 04/17/2023 02:00 PM

AMENDED IN SENATE APRIL 17, 2023

AMENDED IN SENATE MARCH 28, 2023

CALIFORNIA LEGISLATURE— 2023–2024 REGULAR SESSION

### SENATE BILL

NO. 525

**Introduced by Senator Durazo**

**(Coauthors: Senators Gonzalez, Smallwood-Cuevas, Stern, and Wahab)**

**(Coauthors: Assembly Members Addis, Arambula, Bonta, Connolly, Haney, Jones-Sawyer, Lee, McKinnor, Ortega, and Santiago)**

**February 14, 2023**

An act to add Section 1182.14 to the Labor Code, relating to employment.

### LEGISLATIVE COUNSEL'S DIGEST

SB 525, as amended, Durazo. Minimum wage: health care workers.

Existing law generally requires the minimum wage for all industries to not be less than specified amounts to be increased until it is \$15 per hour commencing January 1, 2022, for employers employing 26 or more employees and commencing January 1, 2023, for employers employing 25 or fewer employees. Existing law makes a violation of minimum wage requirements a misdemeanor.

This bill would require a health care worker minimum wage of \$25 per hour for hours worked in covered health care employment, as defined, subject to adjustment, as prescribed. The bill would provide that the health care worker minimum wage constitutes the state minimum wage for covered health care employment for all purposes under the Labor Code and the Wage Orders of the Industrial Welfare Commission. The health care worker minimum wage would be enforceable by the Labor Commissioner or by a covered worker through a civil action, through the same means and with the same relief available for violation of any other state minimum wage requirement. By establishing a new minimum wage, the violation of which would be a crime, the bill would impose a state-mandated local program.

This bill would require, for covered health care employment where the employee is paid on a salary basis, that the employee earn a monthly salary equivalent to no less than 2 times the health care worker minimum wage for full-time employment in order to qualify as exempt from the payment of minimum wage and overtime.

This bill would make legislative findings and declarations as to the necessity of a special statute for health care workers.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: yes

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## THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

### **SECTION 1.** Section 1182.14 is added to the Labor Code, to read:

#### **1182.14.** (a) The Legislature finds and declares as follows:

(1) Workers in the health care industry, including workers at general acute care hospitals, acute psychiatric hospitals, medical offices and clinics, behavioral health centers, and residential care centers provide vital health care services to California residents, including emergency care, labor and delivery, cancer treatments, and primary and specialty care. Similarly, dialysis clinics provide life-preserving care to patients with end-stage renal disease and are part of the continuum of kidney care that also includes hospitals and health systems. Residents and visitors to the state rely on access to this high-quality health care.

(2) Higher wages are an important means of retaining an experienced workforce and attracting new workers. A stable workforce benefits patients and improves quality of care.

(3) Employers across multiple industries are raising wages. The health care sector in California must offer higher wages to remain competitive.

(4) Members of the health care team such as certified nursing assistants, patient aides, technicians, and food service workers, among many others, are essential to both routine medical care and emergency response efforts.

(5) Even before the COVID pandemic, California was facing an urgent and immediate shortage of health care workers, adversely impacting the health and well-being of Californians, especially economically disadvantaged Californians. The pandemic has worsened these shortages. Higher wages are needed to attract and retain health care workers to treat patients, including being prepared to provide necessary care in an emergency.

#### (b) As used in this section:

##### (1) (A) "Covered health care employment" means any of the following:

(i) All paid work performed on the premises of any covered health care facility, regardless of the identity of the employer.

(ii) All paid work providing health care services performed for any person that owns, controls, or operates a covered health care facility, regardless of work location.

##### (B) Notwithstanding subparagraph (A), "covered health care employment" does not include:

(i) Employment as an outside salesperson.

(ii) Any work performed in the public sector where the primary duties performed are not health care services.

*(iii) Delivery work on the premises of a covered health care facility, provided that the delivery worker is not an employee of any person that owns, controls, or operates a covered health care facility.*

##### (2) "Covered health care facility" means any of the following:

(A) A facility or other work site that is part of an integrated health care delivery system.

(B) A licensed general acute care hospital, as defined in subdivision (a) of Section 1250 of the Health and Safety Code.

(C) A licensed acute psychiatric hospital, as defined in subdivision (b) of Section 1250 of the Health and Safety Code.

(D) A special hospital, as defined in subdivision (f) of Section 1250 of the Health and Safety Code.

(E) A licensed skilled nursing facility, as defined in subdivision (c) of Section 1250 of the Health and Safety Code.

(F) A public health jurisdiction described in Section 101185 of the Health and Safety Code.

(G) A patient's home when health care services are delivered by an entity owned or operated by a general acute care hospital or acute psychiatric hospital.

(H) A licensed home health agency, as defined in subdivision (a) of Section 1727 of the Health and Safety Code.

(I) A clinic, as defined in Section 1204 of the Health and Safety Code, including a primary care clinic, specialty care clinic, or a dialysis clinic.

(J) A psychology clinic, as defined in Section 1204.1 of the Health and Safety Code.

(K) A clinic as defined in subdivision (d), (g), (h) or (l) of Section 1206 of the Health and Safety Code.

(L) A licensed residential care facility for the elderly, as defined in Section 1569.2 of the Health and Safety Code, if affiliated with an acute care provider or owned, operated or controlled by a general acute care hospital, acute psychiatric hospital, or the parent entity of a general acute care hospital or acute psychiatric hospital.

(M) A psychiatric health facility, as defined in Section 1250.2 of the Health and Safety Code.

(N) A mental health rehabilitation center, as defined in Section 5675 of the Welfare and Institutions Code.

(O) A community clinic licensed under subdivision (a) of Section 1204 of the Health and Safety Code, an intermittent clinic exempt from licensure under subdivision (h) of Section 1206 of the Health and Safety Code, a clinic operated by the state or any of its political subdivisions, including, but not limited to, the University of California or a city or county that is exempt from licensure under subdivision (b) of Section 1206 of the Health and Safety Code, a tribal clinic exempt from licensure under subdivision (c) of Section 1206 of the Health and Safety Code, or an outpatient setting conducted, maintained, or operated by a federally recognized Indian tribe, tribal organization, or urban Indian organization, as defined in Section 1603 of Title 25 of the United States Code.

(P) A rural health clinic, as defined in paragraph (1) of subdivision (l) of Section 1396d of Title 42 of the United States Code.

(Q) An urgent care clinic.

(R) An ambulatory surgical center that is certified to participate in the Medicare program under Title XVIII (42 U.S.C. Sec. 1395 et seq.) of the federal Social Security Act.

(S) A physician group.

(T) A county correctional facility that provides health care services.

(U) A county mental health facility.

(3) "Employ" means to engage, suffer or permit to work.

(4) "Employee" means any person employed by an employer.

(5) "Employer" means a person who directly or indirectly, or through an agent or any other person, employs or exercises control over the wages, hours, or working conditions of any person. "Employer" includes the state, political subdivisions of the state, the University of California, and municipalities.

(6) "Health care services" means patient care-related services including nursing; caregiving; services provided by medical residents, interns, or fellows; technical and ancillary services; janitorial work; housekeeping; groundskeeping; guard duties; business office clerical work; food services; laundry; medical coding and billing;

call center and warehouse work; scheduling; and gift shop work; but only where such services directly or indirectly support patient care.

(7) "Health care worker minimum wage" means the minimum wage rate established by this section.

(8) "Integrated health care delivery system" means an entity or group of related entities that includes both of the following: (A) one or more hospitals and (B) one or more physician groups, health care service plans, medical foundation clinics, other health care facilities, or other entities, providing health care or supporting the provision of health care, where the hospital or hospitals and other entities are related through one of the following:

(i) Parent and subsidiary relationships, joint or common ownership or control, common branding, or common boards of directors and shared senior management.

(ii) A contractual relationship in which affiliated covered physician groups or medical foundation clinics contract with a health care service plan, hospital or other part of the system, all operating under a common trade name.

(iii) A contractual relationship in which a nonprofit health care service plan provides medical services to enrollees in a specific geographic region of the state through an affiliated hospital system, and contracts with a single covered physician group in each geographic region of the state to provide medical services to a majority of the plan's enrollees in that region.

(9) "Physician group" means a medical group practice, including a professional medical corporation, as defined in Section 2406 of the Business and Professions Code, another form of corporation controlled by physicians and surgeons, a medical partnership, or an independent practice association, provided that the group includes a total of 25 or more physicians.

(10) "Urgent care clinic" means a facility or clinic that provides immediate, nonemergent ambulatory medical care to patients, including, but not limited to, facilities known as walk-in clinics or centers or urgent care centers.

(c) Notwithstanding any other provision of this chapter, on and after January 1, 2024, the minimum wage for covered health care employment shall be not less than twenty-five dollars (\$25) per hour for all hours worked in covered health care employment. Any portion of any worker's time spent working in covered health care employment shall be compensated at the minimum wage of not less than twenty-five dollars (\$25) an hour.

(d) (1) Following the implementation of the minimum wage increase specified in subdivision (c), on or before August 1 of that year, and on or before each August 1 thereafter, the Director of Finance shall calculate an adjusted minimum wage. The calculation shall increase the minimum wage by the greater of 3.5 percent or the rate of change in the averages of the most recent July 1 to June 30, inclusive, period over the preceding July 1 to June 30, inclusive, period for the United States Bureau of Labor Statistics nonseasonally adjusted United States Consumer Price Index for Urban Wage Earners and Clerical Workers (U.S. CPI-W). The result shall be rounded to the nearest ten cents (\$0.10). Each adjusted minimum wage increase calculated under this subdivision shall take effect on the following January 1.

(2) If the rate of change in the averages of the most recent July 1 to June 30, inclusive, period over the preceding July 1 to June 30, inclusive, period for the United States Bureau of Labor Statistics nonseasonally adjusted U.S. CPI-W is negative, there shall be no increase or decrease in the minimum wage pursuant to this subdivision on the following January 1.

(e) The health care worker minimum wage shall constitute the state minimum wage for covered health care employment for all purposes under this code and the Wage Orders of the Industrial Welfare Commission. It shall be enforceable by the Labor Commissioner or by a covered worker through a civil action, through the same means and with the same relief available for violation of any other state minimum wage requirement.

(f) For covered health care employment where the compensation of the employee is on a salary basis, the employee shall earn a monthly salary equivalent to no less than two times the health care worker minimum wage for full-time employment in order to qualify as exempt from the payment of minimum wage and overtime under the law of this state, including where the employer is the state, a political subdivision of the state, the University of California, or a municipality.

**SEC. 2.** The provisions of this act are severable. If any provision of this act or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or

application.

**SEC. 3.** The Legislature finds and declares that a special statute is necessary and that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the urgent and immediate shortage of health care workers.

**SEC. 4.** No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

## **Introduction Form**

(by a Member of the Board of Supervisors or the Mayor)

I hereby submit the following item for introduction (select only one):

- ☐ 1. For reference to Committee (Ordinance, Resolution, Motion or Charter Amendment)
- ☐ 2. Request for next printed agenda (For Adoption Without Committee Reference)  
(Routine, non-controversial and/or commendatory matters only)
- ☐ 3. Request for Hearing on a subject matter at Committee
- ☐ 4. Request for Letter beginning with "Supervisor  inquires..."
- ☐ 5. City Attorney Request
- ☐ 6. Call File No.  from Committee.
- ☐ 7. Budget and Legislative Analyst Request (attached written Motion)
- ☐ 8. Substitute Legislation File No.
- ☐ 9. Reactivate File No.
- ☐ 10. Topic submitted for Mayoral Appearance before the Board on

The proposed legislation should be forwarded to the following (please check all appropriate boxes):

- ☐ Small Business Commission      ☐ Youth Commission      ☐ Ethics Commission
- ☐ Planning Commission      ☐ Building Inspection Commission      ☐ Human Resources Department

General Plan Referral sent to the Planning Department (proposed legislation subject to Charter 4.105 & Admin 2A.53):

- ☐ Yes      ☐ No

(Note: For Imperative Agenda items (a Resolution not on the printed agenda), use the Imperative Agenda Form.)

Sponsor(s):

Subject:

Long Title or text listed:

Signature of Sponsoring Supervisor: