

SB 935 (Leno)

**Co-Authors: Senators Steinberg and De León
As Introduced February 3, 2014**

Minimum Wage Fairness Act

FACT SHEET

SUMMARY

SB 935 (Leno) will increase the minimum wage in California to \$11 per hour beginning in January 2015, \$12 per hour in 2016 and \$13 per hour in 2017. Beginning in January 2018, the statewide minimum wage would be increased annually based on the rate of inflation.

BACKGROUND

According to the Congressional Research Service, the purchasing power of the federal minimum wage has decreased steadily since 1968 when it was equal to \$10.77 in today's dollars. The current federal minimum wage of \$7.25/hour would have to be raised by 36% to equal those levels. While federal actions to address this problem are ongoing, the cost of living in California remains significantly higher than other parts of the country, and it is imperative that our state move forward aggressively to combat poverty beyond any minimum federal requirements.

California has not been idle in this regard, and has taken steps to improve the pay of low wage workers. However, under current law, California will not reach a minimum wage of \$10/hr until 2016 (still less than

the inflation adjusted purchasing power of the minimum wage in 1968).

It is essential that California increase the speed with which boosts in the minimum wage will occur, and it is essential that future annual increases be automatic and tied to the rate of inflation in order to protect low-wage employees' purchasing power.

Under current law, a California worker employed full time, year round, will earn \$15,360 before taxes at the current rate of \$8/hr. This is simply unacceptable. No Californian who works full time should have to live in poverty.

FEDERAL ACTION

- President Obama has announced an executive order raising the minimum wage to \$10.10/hr for federal contractors.
- Rep. George Miller (D-CA) and Sen. Tom Harkin (D-IA) are also proposing to raise the federal minimum wage to \$10.10/hr. ahead of California, with automatic inflation adjusted annual increases.
- Localities are considering raising the minimum wage even higher, to \$15/hr

in San Francisco and \$15.37/hr for hotel workers in Los Angeles.

SOLUTION

SB 935 will help lift Californians out of poverty by raising the state's minimum wage. This bill will increase the state's minimum wage in three steps, starting at \$11 an hour in 2015 and increasing an additional \$1 per hour in both 2016 and 2017. Beginning in 2018, the minimum wage would be adjusted annually to the rate of inflation.

STATUS

Introduced February 3, 2014

SUPPORT

- The Women's Foundation of California
- Equal Rights Advocates
- California Labor Federation
- UNITE HERE!
- SEIU—CA State Council
- Western Center on Law and Poverty
- California Partnership
- CA School Employees Association

Full List to Follow

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Version: February 27, 2014