

**WILLOWS UNIFIED SCHOOL DISTRICT**  
**Office of the Superintendent**

**Date of Meeting: August 4, 2016**

**Request For Placement on Board Agenda:**

**AGENDA TOPIC (Discussion): The Effect of California's Minimum Wage**

**PRESENTER: Debby Beymer, Director of Business Services**

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**BACKGROUND**

Legislation went into effect on January 1, 2016 increasing the California minimum wage to \$10.00 per hour. This legislation also set forth annual increases moving toward a \$15.00 per hour minimum wage going into effect on January 1, 2022 for employers with more than 26 employees and January 1, 2023 for those with fewer than 26 employees.

In your packet you will find our current classified salary schedule with the pay ranges and steps that will be impacted by the increased minimum wage. Please note that the impact to this salary schedule will take effect on January 1, 2019.

Also included is data from the state of California that outlines the phase in and provides minimum wage information from all the other states.

The data shows that California will be tied with New York for the highest minimum wage in the United States.

## 2015 - 2016

RANGE	2	3	4	5	6	7	8	9	12 yrs	16 yrs	20 yrs	24 yrs	28 yrs	RANGE	JOB CLASS	# OF
24	\$11.80	\$12.37	\$12.99	\$13.65	\$14.36	\$15.08	\$15.83	\$16.63	\$17.13	\$17.62	\$18.12	\$18.62	\$19.12	24	2	
25	\$12.06	\$12.68	\$13.33	\$14.00	\$14.72	\$15.45	\$16.23	\$17.05	\$17.56	\$18.07	\$18.58	\$19.10	\$19.61	25	0	
26	\$12.37	\$12.99	\$13.65	\$14.36	\$15.08	\$15.83	\$16.63	\$17.47	\$18.00	\$18.52	\$19.04	\$19.57	\$20.09	26	1	
27	\$12.68	\$13.33	\$14.00	\$14.72	\$15.45	\$16.23	\$17.05	\$17.93	\$18.47	\$19.01	\$19.54	\$20.08	\$20.62	27	0	
28	\$12.99	\$13.65	\$14.36	\$15.08	\$15.83	\$16.63	\$17.47	\$18.36	\$18.92	\$19.47	\$20.02	\$20.57	\$21.12	28	1	
29	\$13.33	\$14.00	\$14.72	\$15.45	\$16.23	\$17.05	\$17.93	\$18.84	\$19.40	\$19.97	\$20.53	\$21.10	\$21.66	29	3	
30	\$13.65	\$14.36	\$15.08	\$15.83	\$16.63	\$17.47	\$18.36	\$19.30	\$19.87	\$20.45	\$21.03	\$21.61	\$22.19	30	3	
31	\$14.00	\$14.72	\$15.45	\$16.23	\$17.05	\$17.93	\$18.84	\$19.78	\$20.37	\$20.97	\$21.56	\$22.15	\$22.75	31	4	
32	\$14.36	\$15.08	\$15.83	\$16.63	\$17.47	\$18.36	\$19.30	\$20.26	\$20.87	\$21.48	\$22.09	\$22.69	\$23.30	32	1	
33	\$14.72	\$15.45	\$16.23	\$17.05	\$17.93	\$18.84	\$19.78	\$20.78	\$21.41	\$22.03	\$22.65	\$23.28	\$23.90	33	3	
34	\$15.08	\$15.83	\$16.63	\$17.47	\$18.36	\$19.30	\$20.26	\$21.29	\$21.93	\$22.57	\$23.21	\$23.85	\$24.49	34		
35	\$15.45	\$16.23	\$17.05	\$17.93	\$18.84	\$19.78	\$20.78	\$21.83	\$22.48	\$23.14	\$23.79	\$24.45	\$25.10	35		
36	\$15.83	\$16.63	\$17.47	\$18.36	\$19.30	\$20.26	\$21.29	\$22.37	\$23.04	\$23.71	\$24.39	\$25.06	\$25.73	36		
37	\$16.23	\$17.05	\$17.93	\$18.84	\$19.78	\$20.78	\$21.83	\$22.93	\$23.62	\$24.31	\$24.99	\$25.68	\$26.37	37		
38	\$16.63	\$17.47	\$18.36	\$19.30	\$20.26	\$21.29	\$22.37	\$23.51	\$24.22	\$24.92	\$25.63	\$26.34	\$27.04	38		
39	\$17.05	\$17.93	\$18.84	\$19.78	\$20.78	\$21.83	\$22.93	\$24.11	\$24.83	\$25.56	\$26.28	\$27.00	\$27.73	39		
40	\$17.47	\$18.36	\$19.30	\$20.26	\$21.29	\$22.37	\$23.51	\$24.69	\$25.43	\$26.17	\$26.92	\$27.66	\$28.40	40		
41	\$17.93	\$18.84	\$19.78	\$20.78	\$21.83	\$22.93	\$24.11	\$25.33	\$26.09	\$26.85	\$27.60	\$28.36	\$29.12	41		
42	\$18.36	\$19.30	\$20.26	\$21.29	\$22.37	\$23.51	\$24.69	\$25.95	\$26.72	\$27.50	\$28.28	\$29.06	\$29.84	42		
43	\$18.84	\$19.78	\$20.78	\$21.83	\$22.93	\$24.11	\$25.33	\$26.60	\$27.40	\$28.20	\$29.00	\$29.80	\$30.59	43		
44	\$19.30	\$20.26	\$21.29	\$22.37	\$23.51	\$24.69	\$25.95	\$27.27	\$28.09	\$28.91	\$29.73	\$30.55	\$31.36	44		
45	\$19.78	\$20.78	\$21.83	\$22.93	\$24.11	\$25.33	\$26.60	\$27.94	\$28.78	\$29.62	\$30.46	\$31.30	\$32.14	45		
46	\$20.26	\$21.29	\$22.37	\$23.51	\$24.69	\$25.95	\$27.27	\$28.65	\$29.51	\$30.37	\$31.23	\$32.09	\$32.95	46		

**DATE OF INCREASE:**

- 1/1/2019 to \$12.00/Hour
- 1/1/2020 to \$13.00/Hour
- 1/1/2021 to \$14.00/Hour
- 1/1/2022 to \$15.00/Hour

*Note, will not effect any employee who was hired in or prior to 2015-16.*

## CLASSIFIED JOB CLASSIFICATIONS

### RANGES EFFECTED BY MINIMUM WAGE LEGISLATION

<u>JOB TITLE</u>	<u>RANGE</u>
Health Records Aide I	24
Instructional Aide I	24
Cafeteria Helper I	26
Cafeteria Helper II	28
Clerical Aide II	29
Health Records Aide II	29
Instructional Aide II	29
Custodian (site)	30
Groundskeeper I	30
Technology Assistant	30
Cafeteria Cook	31
Custodian/Substitute Bus Driver	31
Library/Media Specialist 2	31
Library Clerk <sup>1</sup>	31
Groundskeeper II	32
Cafeteria Assistant Manager	33
Custodian - Lead (site)	33
School Secretary I	33
Account Clerk	34
Bus Driver	34
Bus Driver/Grounds/Utility	34
Groundskeeper III/Utility <sup>3</sup>	34
Maintenance I/Utility	34
Warehouse/Utility	34
Computer Lab Technician	35
Custodian Lead (District-wide) <sup>4&amp;5</sup>	35
Maintenance I	35
Maintenance I/Sub Bus Driver	35
Mechanic I	35
School Secretary II	35
Cafeteria Manager Lead (District-wide) <sup>5</sup>	36
Groundskeeper III	36
Groundskeeper - Head	36
Bus Driver/Utility/Mechanic II	37
Maintenance II	38
Bus Driver Lead (District-wide) <sup>4&amp;5</sup>	39
Mechanic II	40
Bus Driver/Trainer/Lead	43
Maintenance III Lead (District-wide) <sup>5</sup>	44

## Fact Sheet: Boosting California's Minimum Wage to \$15/Hour

### Scheduled Wage Increases (If No Increases Are Paused)

	<i>WUSD</i>		
\$10.50/hour		<u>26 Employees or More</u>	<u>25 Employees or Less</u>
\$11/hour		January 1, 2017	January 1, 2018
\$12/hour		January 1, 2018	January 1, 2019
\$13/hour		January 1, 2019	January 1, 2020
\$14/hour		January 1, 2020	January 1, 2021
\$15/hour		January 1, 2021	January 1, 2022
		January 1, 2022	January 1, 2023

### Off-Ramp Provisions

Governor can choose to pause any scheduled increase for one year if either economy or budget conditions are met. The increase to \$10.50/hour is not subject to off-ramps. Initial determination of Governor by August 1 of each year prior to a January increase. The Governor makes the final determination by September 1.

#### **1. Economy**

Governor has the ability to pause an increase if seasonally adjusted statewide job growth for either the prior 3 or 6 months is negative and retail sales receipts for the prior 12 months is negative.

#### **2. Budget**

Governor has the ability to pause an increase if any year from the current budget year to two additional years is forecasted to be in deficit when including the next scheduled increase. Pursuant to Proposition 2, a multiyear forecast is adopted as part of the annual Budget Act. A deficit is if the operating reserve is projected to be negative by more than 1 percent of annual revenues, currently about \$1.2 billion. The budget off-ramp can only be used twice.

### Indexing

Index annually for inflation (national CPI) beginning the first January 1 after small businesses are at \$15/hour. Floor of 0 percent (no decreases) and a ceiling of 3.5 percent. Off-ramps do not apply once the state gets to \$15/hour.

### IHSS Sick Days

*(In Home Support Services)*  
Implementation of one sick day in July 2018. Second day added in the first July following \$13/hour implementation for larger businesses, and third day added following \$15/hour implementation.

### Effect on Workers

There are approximately 7 million hourly workers in California. Almost 2.2 million workers are currently paid minimum wage.

Annual income of full-time work at minimum wage:

2016 at \$10 per hour:	\$20,800
2022 at \$15 per hour:	\$31,200

For comparison, the Federal Poverty Level for 2016 is \$24,300 for a family of 4.

The current \$10 per hour minimum wage will increase according to the following schedule (if no increases are delayed by the Governor):

- \$10.50 per hour on January 1, 2017, for large businesses (January 1, 2018, for smaller employers with 25 employees or less);
- \$11 per hour on January 1, 2018, for large businesses (January 1, 2019, for smaller employers);
- \$12 per hour on January 1, 2019, for large businesses (January 1, 2020, for smaller employers);
- \$13 per hour on January 1, 2020, for large businesses (January 1, 2021, for smaller employers);
- \$14 per hour on January 1, 2021, for large businesses (January 1, 2022, for smaller employers);
- \$15 per hour on January 1, 2022, for large businesses (January 1, 2023, for smaller employers);

\* Future wage increases will be tied to inflation as measured by the national Consumer Price Index, up to 3.5% per year and rounded to the nearest 10 cents. *would = \$0.50/hr in first year!*

The law also provides for In-Home Supportive Services employees to receive up to three days of paid sick leave annually on a phased-in schedule beginning in July 2018: one sick day in July 2018, a second day when minimum wage hits \$13 per hour, and a third day when minimum wage reaches \$15 per hour.

## STATE MINIMUM WAGE LEGISLATION

State	Minimum Wage As of Jan. 1, 2016	Future Enacted Increases	Indexed Automatic Annual Adjustments
Alabama	none		
Alaska	\$9.75		Indexed annual increases begin Jan. 1, 2017. (2014 ballot measure)
American Samoa	varies <sup>1</sup>		
Arizona	\$8.05		Rate increased annually based on cost of living. (Ballot measure 2006)
Arkansas	\$8.00	\$8.50 eff. 1- 1-17	
California	\$10.00	\$15.00 eff. 1- 1-2022	
Colorado	\$8.31		Rate increased or decreased annually based on cost of living. (Constitutional amendment 2006)
Connecticut	\$9.60 <sup>2</sup>	\$10.10 eff. 1- 1-17	
Delaware	\$8.25		
D.C.	\$10.50 <sup>3</sup>	\$11.50 eff. 7- 1-16	Indexed increases begin July 1, 2017 (2014 legislation)
Florida	\$8.05		Annual increase

			based cost of living. (Constitutional amendment 2004)
Georgia	\$5.15		
Guam	\$8.25		
Hawaii	\$8.50	\$9.25 eff. 1-1-17 \$10.10 eff. 1-1-18	
Idaho	\$7.25		
Illinois	\$8.25		
Indiana	\$7.25		
Iowa	\$7.25		
Kansas	\$7.25		
Kentucky	\$7.25		
Louisiana	none		
Maine	\$7.50 <sup>4</sup>		
Maryland	\$8.25	\$8.75 eff. 7-1-16 \$9.25 eff. 7-1-17 \$10.10 eff. 7-1-18	
Massachusetts	\$10.00 <sup>5</sup>	\$11.00 eff. 1-1-17	
Michigan	\$8.50	\$8.90 eff. 1-1-17 \$9.25 eff. 1-1-18	Annual increases take effect Jan. 1, 2019, linked to the CPI. Increases not to exceed 3.5%. (2014 Legislation)
Minnesota	\$9.00/\$7.25 <sup>6</sup>	Large Employers:	Indexed annual increases begin

		\$9.50 eff. 8-1-16 Small Employers: \$7.75 eff. 8-1-16	Jan. 1, 2018. (2014 legislation)
Mississippi	none		
Missouri	\$7.65 <sup>7</sup>		Minimum wage increased or decreased by cost of living starting Jan. 1, 2008. (2006 ballot measure)
Montana	\$8.05/\$4.00 <sup>8</sup>		Increases done annually based on the CPI and effective Jan. 1 of the following year. (2006 ballot measure)
Nebraska	\$9.00		
Nevada	\$8.25/\$7.25 <sup>9</sup>		Increases subject to the federal minimum wage and consumer price index. Increases take effect July 1. (Constitutional amendment 2004/2006).
New Hampshire	repealed by HB 133 (2011)		
New Jersey	\$8.38		Indexed annual increases based on the CPI, effective Jan. 1, 2014. (Constitutional



			Amendment 2013)
New Mexico	\$7.50		
New York	\$9.00	\$15.00 eff. 12-31-2018	
North Carolina	\$7.25		
North Dakota	\$7.25		
Ohio	\$8.10/\$7.25 <sup>10</sup>		Indexed annual increases based on the CPI. (Constitutional amendment 2006)
Oklahoma	\$7.25/\$2.00 <sup>11</sup>		
Oregon	\$9.25		Indexed annual increases based on the CPI, rounded to the nearest five cents. (ballot measure 2002)
Pennsylvania	\$7.25		
Puerto Rico	\$7.25/\$5.08 <sup>12</sup>		
Rhode Island	\$9.60		
South Carolina	none		
South Dakota	\$8.55		Annual indexed increases begin Jan. 1, 2016. (2014 ballot measure.)
Tennessee	none		
Texas	\$7.25		
Utah	\$7.25		
Vermont	\$9.60	\$10.00 eff. 1- 1-17	Beginning Jan. 1, 2019, minimum

		\$10.50 eff. 1-1-18	wage increased annually by 5% or the CPI, whichever is smaller; it cannot decrease. Note: Vermont started indexing in 2007 but enacted additional increases in 2014. (2014 legislation)
Virgin Islands	\$7.25/\$4.30 <sup>13</sup>		
Virginia	\$7.25		
Washington	\$9.47		Annual indexed increases began Jan. 1, 2001. (ballot measure 1998)
West Virginia	\$8.75		
Wisconsin	\$7.25		
Wyoming	\$5.15		

## Notes

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<sup>1</sup> **American Samoa:** The Fair Minimum Wage Act of 2007 (Public Law 110-28) sets minimum wage rates within American Samoa and provides for additional increases in the minimum wage of \$0.50 per hour each year on May 25, until reaching the minimum wage generally applicable in the United States. The wage rates are set for particular industries, not for an employee's particular occupation. The rates are minimum rates; an employer may choose to pay an employee at a rate higher than the rate(s) for its industry.

<sup>2</sup> **Connecticut:** The Connecticut minimum wage rate automatically increases to 1/2 of 1 percent above the rate set in the Fair Labor Standards Act if the Federal minimum wage rate equals or becomes higher than the State minimum.

<sup>3</sup> **District of Columbia:** In the District of Columbia, the rate is automatically set at \$1 above the Federal minimum wage rate if the District of Columbia rate is lower.

<sup>4</sup> The **Maine** minimum wage is automatically replaced with the Federal minimum wage rate if it is higher than the State minimum with the exception that any such increase is limited to no more than \$1.00 per hour above the current legislated State rate.

<sup>5</sup> The **Massachusetts** minimum wage rate automatically increases to 10 cents above the rate set in the Fair Labor Standards Act if the Federal minimum wage equals or becomes higher than the State minimum.

<sup>6</sup> **Minnesota:** With the passage of H.B. 2091 (2014), the annual sales volume threshold was reduced to \$500,000. For large employers, with an annual sales volume of \$500,000 or more, the minimum wage is currently \$9.00; for small employers, those with an annual sales volume of less than \$500,000, the minimum wage is \$7.25.

<sup>7</sup> **Missouri** - In addition to the exemption for federally covered employment, the law exempts, among others, employees of a retail or service business with gross annual sales or business done of less than \$500,000.

<sup>8</sup> **Montana:** the \$4.00 rate applies to businesses with gross annual sales of \$110,000 or less; \$8.05 applies to all others.

<sup>9</sup> **Nevada:** \$8.25 without health benefits; \$7.25 with health benefits.

<sup>10</sup> **Ohio:** \$7.25 for employers grossing \$283,000 or less

<sup>11</sup> **Oklahoma:** Employers of ten or more full time employees at any one location and employers with annual gross sales over \$100,000 irrespective of number of full time employees are subject to federal minimum wage; all others are subject to state minimum wage of \$2.00 (OK ST T. 40 § 197.5).

<sup>12</sup> **Puerto Rico:** Employers covered by the Federal Fair Labor Standards Act (FLSA) are subject to

the Federal minimum wage of \$7.25. Employers not covered by the FLSA will be subject to a minimum wage that is at least 70 percent of the Federal minimum wage or the applicable mandatory decree rate of \$5.08, whichever is higher. The Secretary of Labor and Human Resources may authorize a rate based on a lower percentage for any employer who can show that implementation of the 70 percent rate would substantially curtail employment in that business.

<sup>13</sup>**Virgin Islands:** \$4.30 for businesses with gross annual receipts of less than \$150,000.

## Other Exceptions

**Missouri, Oklahoma, Texas, Puerto Rico, Utah, and Virginia** exclude from coverage any employment that is subject to the Federal Fair Labor Standards Act.

**Hawaii, Kansas, and Michigan** exclude from coverage any employment that is subject to the Federal Fair Labor Standards Act, if the State wage is higher than the Federal wage.

The **Georgia** state minimum wage is \$5.15. Employees covered under the federal Fair Labor Standards Act are subject to the federal minimum wage of \$7.25, but those not covered under the FLSA may be paid the state minimum wage of \$5.15.