



Date: January 27, 2017
To: Patrick H. West, City Manager *T.H.W.*
From: John Gross, Director of Financial Management *J.G.*
For: Mayor and Members of the City Council
Subject: **UPDATE ON MINIMUM WAGE EDUCATION AND ENFORCEMENT**

On September 13, 2016, the City Council adopted the FY 17 budget with \$695,000 of one-time funding for minimum wage education, information, and enforcement of State minimum wage provisions. The City Council requested staff to report back on how minimum wage enforcement funding would be spent before using the funds. At that time, the City Council also asked the City Attorney to determine whether the City could assist the State with enforcing the State minimum wage law. After that meeting and direction from City Council, the City Attorney opined that assisting with enforcement of State minimum wage provisions is not within the purview of the City. However, the City can fund an education and information program that will supplement any State efforts. Based on our understanding of the City Council's direction and priorities, staff will be directing significant resources towards minimum wage education over the next few years. This memorandum provides an update and outlines the City staff's approach and use of those funds. Oversight will be provided by the new Labor Compliance Officer position in the Financial Management Department.

Staff has developed the following program to meet the City Council's goal of a robust and proactive education and information approach to minimum wage:

- Create and maintain a web page with information on minimum wage and wage theft issues. The page will include references and links to related support organizations and provided their contact details.
- Contract for outreach activities for education and information dissemination, most likely with Community Based Organizations (CBOs), to target specific areas where wage enforcement information is most needed, to ensure both businesses and workers are aware of State law.
- Develop an informational sheet on minimum wage and wage theft and disseminate to Long Beach businesses and employees.
- Maintain a dedicated call-in number to provide information and referrals on minimum wage issues. This number will be advertised on the City's website, social media and printed materials. This is not currently a service the City provides and will provide additional ability to disseminate information to affected individuals.
- Prepare and present information at local job forums, fairs, and conferences to educate employers and job seekers about minimum wage requirements and wage theft issues.

Update on Minimum Wage Education and Enforcement
January 27, 2016
Page 2

This program is anticipated to cost about \$595,000 over a three-year period. This amount is inclusive of an estimated \$300,000 for the CBO contracts and associated training, materials development, and monitoring over the three years. The remaining costs include printing, mailing, contractual, and overtime costs. We believe this approach will meet the City Council's goals of creating a robust information campaign, while appropriately using one-time funds.

This approach results in \$100,000 of available one-time funding. On January 17, 2017, the City Council voted to create a public health and safety campaign related to marijuana and asked the City Manager to identify funds to start this effort immediately. Staff recommends that the balance of \$100,000 in one-time funds not needed for the minimum wage education and information program be utilized to fund the initial startup efforts of the public health and safety campaign, to educate the public about the risks and consequences of youth marijuana use.

Staff will begin both efforts with the funds identified and return to the City Council with any necessary budget adjustments to implement this direction.

C:\DATA\LONG BEACH\MINIMUM WAGE\POST BUDGET ADOPTION ENFORCEMENT MATERIALS\TFF ON ENFORCEMENT AND EDUCATION - FINAL.DOCX

CC: CHARLES PARKIN, CITY ATTORNEY
LAURA L. DOUD, CITY AUDITOR
TOM MODICA, ASSISTANT CITY MANAGER
ANITRA DEMPSEY, INTERIM DEPUTY CITY MANAGER
REBECCA JIMENEZ, ASSISTANT TO THE CITY MANAGER