

CONSENT CALENDAR

July 26, 2022

To: Honorable Mayor and Members of the City Council

From: Councilmember Rigel Robinson and Councilmember Sophie Hahn

Subject: Resolution Supporting the Living Wage Act of 2022

RECOMMENDATION

Adopt a Resolution supporting the Living Wage Act of 2022 to increase the California state-wide minimum wage to \$18 on a gradual timeline.

BACKGROUND

The Living Wage Act of 2022 is a ballot initiative that would increase the state's minimum wage to \$18/hr over a staggered and gradual timeline, with a wage increase of \$1 every year. For employers with 26 or more employees, the \$15 minimum wage would begin to increase in 2023, reaching \$18 by January 1st, 2025. For employers with 25 or fewer employees, the minimum wage would begin to increase in 2024, reaching an \$18 minimum wage by January 1st, 2026.¹

The Living Wage Act would continue the increases in the minimum wage initiated by Senate Bill 3 (SB 3), authored by Senator Mark Leno in 2016. SB 3 increased the state's minimum wage to \$15 per hour also using a staggered timeline, with implementation dates depending on employer size. Under SB 3, the \$15 minimum wage came into effect on January 1st, 2022 for employers of 26 or more employees, and will take effect on January 1st, 2023 for employers of 25 or fewer employees.

The City of Berkeley already enforces a higher minimum wage than the state, with an inflation adjusted rate set on July 1st of every year. The new wage increase is determined by the previous calendar year's increase in the Consumer Price Index for urban wage earners and clerical workers in the San Francisco-Oakland-San Jose Area.² Given that Berkeley's current minimum wage is \$16.99 per hour, it is likely that the local minimum wage will keep pace above the increases to the state minimum wage from the Living Wage Act of 2022. The following table lists the increases to the state minimum wage proposed by the Living Wage Act of 2022 and the already scheduled increases to the Berkeley minimum wage.

¹ [https://ballotpedia.org/California \\$18 Minimum Wage Initiative \(2022\)](https://ballotpedia.org/California_$18_Minimum_Wage_Initiative_(2022))

² <https://berkeley.municipal.codes/BMC/13.99.040>

Date of Effect	Living Wage Act (>25 workers / ≤25 workers)	Date of Effect	Berkeley Minimum Wage
Jan. 1, 2022	\$15.00 / \$15.00	July 1, 2022	\$16.99
Jan. 1, 2023	\$16.00 / \$15.00	July 1, 2023	\$16.99 + CPI
Jan. 1, 2024	\$17.00 / \$16.00	July 1, 2024	2023 MW + CPI
Jan. 1, 2025	\$18.00 / \$17.00	July 1, 2025	2024 MW + CPI
Jan. 1, 2026	\$18.00 / \$18.00	July 1, 2026	2025 MW + CPI
Jan. 1, 2027	\$18.00 + CPI	July 1, 2027	2026 MW + CPI

FINANCIAL IMPLICATIONS

None.

ENVIRONMENTAL SUSTAINABILITY

None.

CONTACT PERSON

Councilmember Rigel Robinson, Council District 7, (510) 981-7170

Attachments:

1: Resolution

2: Ballot Initiative Text:

[https://ballotpedia.org/California_\\$18_Minimum_Wage_Initiative_\(2022\)](https://ballotpedia.org/California_$18_Minimum_Wage_Initiative_(2022))

RESOLUTION NO. ##,###-N.S.

RESOLUTION IN SUPPORT OF THE LIVING WAGE ACT OF 2022

WHEREAS, the cost of living in California continues to increase dramatically due to unprecedented inflation and an ongoing housing crisis; and

WHEREAS, a sufficient minimum wage is necessary to access fundamental human rights, including housing, food, and healthcare; and

WHEREAS, the COVID-19 pandemic has exacerbated economic instability for Californians, and workers are hesitant to rejoin a more hazardous workforce for insufficient wages; and

WHEREAS, the minimum wage for large employers in California has no future increases scheduled; and

WHEREAS, the Living Wage Act of 2022 proposes to raise the minimum wage by one dollar per hour each year for three years to \$18 an hour by January 1, 2025; and

WHEREAS, an insufficient minimum wage reinforces intergenerational income inequality and perpetuate historical inequities that disproportionately impact people of color; and

WHEREAS, the lowest-paid workers in the state would gain \$6,000 per year in full time employment if the measure passes; and

WHEREAS, the Living Wage Act of 2022 has already collected more than one million signatures and is scheduled to be on the November ballot.

NOW THEREFORE, BE IT RESOLVED that the City of Berkeley hereby endorses the Living Wage Act of 2022; and

BE IT FURTHER RESOLVED that the City of Berkeley may be listed as a supporter by the official proponents of the measure; and

BE IT FURTHER RESOLVED that copies of this resolution will be sent to Senator Nancy Skinner, Assemblymember Buffy Wicks, and Governor Gavin Newsom.

