

Findings and Charge to the 2006 Minimum Wage Board

Findings Pursuant to Labor Code Sections 1178 and 1178.5 for the IWC's Action to Select a Minimum Wage Board

In 2006, the Industrial Welfare Commission (hereinafter "IWC") received three requests that the IWC conduct a review to raise the minimum wage, summarized as follows:

- A) May 18, 2006, petition from Governor Arnold Schwarzenegger, requesting the IWC conduct a review to raise the minimum wage by one dollar, implemented in two phases of fifty cents over a nine-month period.
- B) April 26, 2006, letter from Senator Abel Maldonado, requesting the IWC conduct a review to raise the minimum wage by one dollar, implemented in two phases of fifty cents to be effective on September 1, 2006, and July 1, 2007.
- C) May 30, 2006, petition from the California Labor Federation, requesting the IWC conduct a review to raise and index the minimum wage.

In response to the requests, the IWC conducted a preliminary investigation in accordance with Labor Code sections 1173, 1178, and 1178.5. The IWC investigation included an investigative public hearing on July 5, 2006, in Sacramento, regarding the adequacy of the current California minimum wage. At and in conjunction with the public hearing, oral and written testimony regarding an increase to California's minimum wage of \$6.75 per hour were offered and considered.

In addition to that part of the investigation conducted at the public hearing, the IWC received and reviewed research materials obtained by staff as well as materials submitted by the public. This information included, but was not limited to: documents submitted by the California Labor Federation, the California Chamber of Commerce, and The California Budget Project, as well as other documents provided to the IWC by the public at the July 5, 2006, hearing.

The IWC also reviewed data on the minimum wage paid in other states as well as the bills on minimum wage currently under consideration by the California Legislature.

After considering all of the evidence related to its minimum wage investigation, on July 5, 2006, the IWC found that the minimum wage may be inadequate to supply the cost of proper living and selected a wage board, consisting of an equal number of employer and employee representatives and a nonvoting chairperson, to consider and make recommendations regarding the adequacy of the state minimum wage.

Charge to the 2006 Minimum Wage Board re Minimum Wage

The IWC charges you to consider all material provided to you for review, and, after your review, to report to the IWC your recommendations on the following matters, consistent with the basic statutory responsibility to ensure that the minimum wage is adequate to supply the cost of proper living:

1. The adequacy of the current minimum wage of \$6.75 per hour and whether the state minimum wage should be increased.

2. If you determine that the minimum wage should be increased, you should make recommendations as to:

(a) How much the minimum wage should increase;

(b) The timing of such an increase (ie. will the increase occur at one time or be phased in over a period of time); and

(c) Whether the minimum wage should be indexed.

3. If you determine that the minimum wage should be increased, you should make recommendations as to the adequacy of the amount which may be credited against the minimum wage for meals and lodging in Section 10 of IWC wage orders 1 through 15 and Section 9 of IWC wage order 16.

In investigating this matter and making recommendations to the IWC, you may consider, but are not bound by, the IWC's traditional determination to raise these credits by the percentage increase in the state minimum wage.

The information provided by the IWC will include transcripts of testimony and other documents previously presented to the IWC. The IWC requests that the wage board review these materials prior to the date of its first meeting.

7/5/06