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STATE OF CALIFORNIA
DEPARTMENT OF INDUSTRIAL RELATIONS
INDUSTRIAL WELFARE COMMISSION

PUBLIC MEETING
FRIDAY, JUNE 2, 2006

CAL/EPA BUILDING
BYRON SHER AUDITORIUM
1001 I STREET
SACRAMENTO, CALIFORNIA

PARTICIPANTS

INDUSTRIAL WELFARE COMMISSION:

- DANIEL CURTIN, Chair
- LESLEE C. GUARDINO
- WILLIE WASHINGTON
- TIM CREMINS
- HAROLD ROSE

STAFF

- DEANNA FONG, Legal Counsel
- STEPHANIE E. LEACH

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1 PROCEEDINGS
2 FRIDAY, JUNE 2, 2006
3 10:03 A.M.

4 ---o0o---

5 CHAIRPERSON CURTIN: My name is Danny Curtin. I'm
6 the newly appointed Chairman, Chairman of the Industrial
7 Welfare Commission.

8 I want to make sure everybody's present. And we have
9 Harold Rose; Tim Cremins; Willie Washington, also a newly
10 appointed member; and Leslee Guardino. The other three have
11 been -- well, two of them have been reappointed and from the
12 last Commission.

13 Before I get started, I want to thank -- where's
14 Mr. Dombrowski -- for his dedicated four years in the firing
15 line. Thank you.

16 Oh, there he is.

17 UNIDENTIFIED SPEAKER: Hiding.

18 CHAIRPERSON CURTIN: Yeah, well now you have -- I
19 notice your tie's off, so you got a whole new persona here.
20 And I don't expect you to cause any problems for the new
21 Commission. And if you do, we'll talk about it later, but
22 that's okay.

23 You're going to have to bear with me. I've never done
24 this quite before. The Commission, itself, is new to me. I
25 got just appointed recently, so I'm not sure about all the
procedures. We'll get to them eventually. Everybody who

1 wants to speak --

2 Hi, Tom. My hat's off to Tom Rankin.

3 Everybody who wants to speak will get an opportunity
4 to speak. My job will try to -- help to try to keep you on
5 point, as best I can. But I know we have some very good
6 speakers here who know how to do whatever it is they need to
7 do.

8 We have, basically, two orders of business here.

9 The first is to consider -- the consideration of a petition
10 from Governor Arnold Schwarzenegger dated May 18th, 2006,
11 and a letter from Senator Abel Maldonado dated April 26,
12 2006, requesting the Industrial Welfare Commission review
13 and increase the California minimum wage. That will be the
14 major focus for our meeting. We will have another item on
15 the agenda.

16 I also want to indicate that another petition was
17 received by the Commission, but it was received after the
18 notice of this meeting so that it is -- I believe it's
19 illegal -- I'm going to ask the lawyers later -- to
20 charact -- to bring it up at this meeting, but it has been
21 noted, and we will bring it up at the next meeting, a
22 petition for a similar request.

23 And having said that, I'm going to ask the board
24 members if they have anything that I've missed or want to
25 add or the legal counsel or the staff, or we will then

1 proceed right to public comments, if we don't.

2 COMMISSIONER ROSE: Excuse me. Commissioner Rose.

3 I believe that the second item for the agenda should
4 be considered, at least, I -- you asked for a legal opinion.
5 You didn't get one. And now you're denying it, so I'd like
6 to either have a legal opinion or accept the one for the
7 American Labor Commission.

8 CHAIRPERSON CURTIN: Okay. Well, we actually haven't
9 denied anything. The -- and I will ask the lawyer, if
10 you're not comfortable with my answer, the attorney.

11 The Bagley-Keene Act basically says that you can't
12 call a public meeting and then change the agenda between the
13 calling of the meeting and the actual meeting. There has --
14 it actually has to be in the call of the meeting what the
15 agenda is so that the public can be prepared to discuss it;
16 otherwise, we could slip all kinds of things in here that
17 nobody would have a clue about. So we have to wait till the
18 next public meeting, where it will be noticed.

19 We do plan on having a meeting very shortly, and we're
20 certainly not going to dismiss anything without proper
21 consideration. So if you want the citations on that, I'll
22 ask Deanna to get to them, but if you're comfortable with
23 that, we'll just move on.

24 COMMISSIONER ROSE: I'd appreciate it if you would.

25 CHAIRPERSON CURTIN: Okay.

1 Okay. We're going to go to public comment on the
2 issue at hand, which again is the consideration to -- the
3 petition from the governor and a letter from Senator Abel
4 Maldonado to review the minimum wage. Our decision here is
5 to either set the matter for public hearing or deny the
6 petition.

7 Anybody who would like to speak, line up at either one
8 of these microphones. Feel free. We are -- if it's too
9 many people, we will have to contain your comments to three
10 minutes, but in the beginning, I only see a couple of
11 speakers, so we'll be a little more flexible. Hopefully,
12 five minutes will cover the territory. And if everybody
13 wants to speak, we'll have to keep it a lot shorter.
14 But right now, I'm going to ask Stephanie to keep an eye on
15 the watch for about five minutes.

16 There are -- is there only one microphone? There's
17 only one? Okay. I saw two podiums. There is one over
18 there? Okay.

19 So you can feel free. We'll alternate microphones,
20 okay?

21 And could the speakers please identify themselves, if
22 they so desire? And onward and upward.

23 Mr. Pulaski.

24 MR. PULASKI: Mr. Curtin.

25 CHAIRPERSON CURTIN: How are you?

1 MR. PULASKI: Thank you.

2 Mr. Chairman, members of the Commission, my name, Art
3 Pulaski, California Labor Federation.

4 We stand before you today to discuss the adequacy of
5 the minimum wage, and we want to reflect for you a -- a
6 number of important historical considerations. The first of
7 that being that minimum wage is currently below the federal
8 poverty guideline. The proposal that you have before you
9 from the governor, even if it was implemented all today,
10 would still impoverish all minimum-wage workers in the state
11 of California.

12 Now, please note that the minimum wage in California
13 would even impact greater the workers here than the federal
14 poverty guidelines because the California cost of living is
15 so high, and that's why the California Budget Project says
16 that it really requires \$12.44 per hour to stay above the
17 federal poverty guidelines, if we're to do anything about
18 pulling people out of poverty.

19 Now, having said that, let me say that we have
20 submitted to you a petition to add to the minimum wage now
21 a dollar over two years and then index it. And some
22 further -- back to that in a moment. Some further
23 historical perspective, if I may.

24 The IWC was defunded by the legislature in 2004
25 because, essentially, it failed to meet the legal

1 requirement to properly review the adequacy of the minimum
2 wage. If you recall the governor's California Performance
3 Review a year ago, the CPR, this is, if you remember, where
4 the governor was going to, quote, blow up the boxes of
5 government that was inefficient and unnecessary. One of the
6 boxes that the governor proposed to blow up was this box of
7 the Industrial Welfare Commission. Until last night, you
8 had -- you had added two members of the Commission last
9 night. And I want to quote to you, the governor said, "The
10 Commission will be eliminated, and its authority to create
11 the minimum wage and provide for the general welfare of
12 employees will revert to the legislature for determination
13 through the normal legislative process." That is, 120
14 members of the legislature elected across the State of
15 California to address issues in a very detailed and complex
16 kind of way. And now the governor suddenly is proposing to
17 reverse himself and to have a five-member commission
18 appointed by governor to resolve this issue rather than to
19 have the full legislative process of 120 members elected by
20 the public.

21 And so, Mr. Chairman and members of the Commission, I
22 just want to say that we would recommend that you, in fact,
23 defer, as the governor, himself, said when he defunded you,
24 when he put a fuse in the box of the Industrial Welfare
25 Commission to say that it was no longer necessary, we ask

1 you to defer to that.

2 Now, additionally, we would say this: I understood
3 the Chairman to say that there was some -- another petition
4 before you that was, quote, illegal. This is the first
5 hearing, the first meeting of the Industrial Welfare
6 Commission in at least two years. When we heard you were
7 meeting, we submitted to you a petition to add a dollar to
8 the minimum wage, plus add indexing. If you are now
9 indicating to us that our proposal before -- received by you
10 before your very first meeting is illegal, and the only
11 option you have is to consider the governor's sole proposal,
12 the proposal by the man who has appointed two members,
13 including the chairman last night, last night, this petition
14 before you to index the minimum wage was received before you
15 were on the Commission, probably before you even knew how to
16 spell "Industrial Welfare Commission."

17 [Laughter from the audience.]

18 CHAIRPERSON CURTIN: I still don't know how to
19 spell it.

20 MR. PULASKI: And so we ask you to assure the public
21 that you will, at least, consider in a formal, legal way,
22 which you have every right to do, more than the governor's
23 sole petition in this election year, to simply increase the
24 minimum wage in a way that will maintain a below-poverty
25 standard of living for more than a million minimum-wage

1 workers in California. We ask you to do the right thing, or
2 allow yourself to be blown up with the boxes the governor
3 has attempted to do, and refer to the legislative process
4 which already, as you know, has moved two legislative bills
5 off of two floors that say that we should index so that the
6 governor should, at least, negotiate with the legislature on
7 how we address the crisis in California of low-wage workers.

8 I thank you very much.

9 CHAIRPERSON CURTIN: Thank you.

10 Okay. Mr. Barry Broad.

11 MR. BROAD: Mr. Chairman, Barry Broad on behalf of
12 the Teamsters, United Here, Machinists, Amalgamated Transit
13 Union, other unions.

14 First of all, a legal point that I think you should
15 consider: The governor does not appoint the Chairperson to
16 the IWC, so you actually, Mr. Curtin, need to be elected by
17 your fellow members. So I would put that on the agenda for
18 some point. Maybe you're -- at this point, Mr. --

19 CHAIRPERSON CURTIN: May I interrupt just for a
20 moment?

21 MR. BROAD: Mr. Chairman --

22 CHAIRPERSON CURTIN: I've been up here five minutes,
23 and you're after me on this one.

24 MR. BROAD: Well, I just don't want you to, you know,
25 violate any laws here.

1 CHAIRPERSON CURTIN: Okay. Thank you.

2 MR. BROAD: Mr. Dombrowski and I have a lot of
3 collective memory about how the IWC works, and that is, in
4 fact, the case. So I would suggest just as a -- just to
5 kind of do things right, that you actually elect your Chair.

6 Secondly, on this issue of the timeliness of the
7 petition, I don't think there's an issue there, but it's
8 entirely beside the point, because the Commission, by its
9 own motion, by its own power, can put any issue before the
10 wage board. And you obviously would be engaged in a major
11 shuck and jive if you, by some wacky legal technicality,
12 didn't put indexing before this wage board, whether a
13 petition was there or not. If any person here, including
14 Mr. Pulaski, myself, anybody in the audience says, "Hey, you
15 ought to look at indexing," you can look at indexing, and
16 you can look at indexing if nobody mentions it, if it just
17 kind of flows into your heads. It's, obviously, a major
18 issue. Not to have the -- the wage board consider it is
19 simply to cut off democratic debate. And this has already
20 got a little bit of stunt here, in election year, politics
21 stunt operation attached to it enough that you don't have to
22 do that. You don't have to vote for it, but you, at least,
23 ought to consider it. And I will point out that in every
24 minimum-wage board that's ever been considered, the IWC
25 routinely adds things; for example, a requirement that the

1 wage board consider other things that are included with the
2 minimum wage that go along with it; for example, raising it
3 as, customarily, every time it's ever been heard in decades
4 and decades, raised by the same percentage that it raised
5 the minimum wage, the amount of deduction that can be taken
6 from workers who are supplied meals and housing by an
7 employer in a separate section. That's not part of a
8 petition. That's just done by the IWC. So it's clear that
9 you can do this, and you should do this. And anything else
10 is just -- would be sort of a cheap evasion of your
11 responsibility. And it's not going to fool anybody, much
12 less the press over there.

13 So in terms of considering this issue, obviously the
14 unions we represent believe that the existing system, where
15 we never index the minimum wage, means that all we do is:
16 Workers fall farther and farther behind. Every few years,
17 we have some nightmarish, stressful debate about how much to
18 raise the minimum wage. We -- we can really sort of allow
19 employers to do a little bit more planning. All the issues
20 that can be raised around what index, and what index is
21 appropriate, and how to deal with upturns and downturns in
22 the economy, can be accommodated in any proposal, and -- and
23 so it's an issue that has -- its time has come. It's the
24 trend in a number of states who have voted for it, I believe
25 Florida, Nevada, Washington. Oregon? In any event.

1 So you -- you should really consider it and make sure
2 that we're not out of step with the other western states so
3 we don't -- you know, we're not lacking in competitiveness,
4 you know.

5 So with that, also, I'd like to also note to you that
6 we have submitted a petition on our -- of our own, the
7 Teamsters and the Amalgamated Transit Union, relating to
8 overtime with respect to commercial drivers. I'd like to
9 address that in item three of your agenda, any other
10 business, if I could, unless you want me to do it now.

11 CHAIRPERSON CURTIN: Well, may I?

12 I would assume that that petition would be discussed
13 at the next meeting.

14 I'm looking at - Deanna?

15 MS. FONG: You can discuss it, but you can't take any
16 action on it.

17 CHAIRPERSON CURTIN: Okay.

18 So if you feel the need to do it, go right ahead.
19 You'll get another opportunity.

20 MR. BROAD: Okay. Well, what I --

21 CHAIRPERSON CURTIN: I also want to tell the speakers
22 that there will be ample opportunity to discuss all of the
23 issues. As Barry Broad pointed out, we are not constrained
24 by the contents of any petition. These issues will be
25 discussed thoroughly. So I want you to understand that

1 that, at a minimum, will happen. And to the degree that we
2 do it at this meeting, we will. But this will be on the
3 table. You can have my word for that.

4 MR. BROAD: With respect to our petition, it's a
5 petition to eliminate the exemption for overtime for
6 commercial drivers whose hours of service are regulated by
7 the federal or state government. It's an issue of great
8 concern and impacts public safety and highway safety. While
9 we're not asking you to, obviously, take action -- you're in
10 receipt of the petition -- I would request that you make a
11 motion today to put it on your next hearing or for
12 consideration and possible appointment of a wage board.

13 Thank you.

14 CHAIRPERSON CURTIN: Thank you.

15 I'm not sure a motion's necessary for that. I
16 believe, since it's been sent in, we have a meeting coming
17 up soon. It will be on the agenda or -- I don't believe
18 we really need a motion for that, do we?

19 MR. BROAD: No.

20 CHAIRPERSON CURTIN: No motion necessary.

21 Excuse me. Now, I would like to alternate. I didn't
22 realize people were lined up over there. When she's done,
23 we'll come back to you.

24 MS. JONES: That's fine.

25 CHAIRPERSON CURTIN: Ms. Broyles.

1 MS. BROYLES: Good morning, Mr. Chairman, Members.

2 Julianne Broyles from the California Chamber of Commerce.

3 It's deja vu all over again with the IWC meeting for
4 the first time in two years. Welcome back. It's going to
5 be an interesting process, it appears.

6 CHAIRPERSON CURTIN: Not for me, it's not.

7 MS. BROYLES: California Chamber is the largest,
8 oldest and most broad-based employer organization here in
9 California. Our members, numbering approximately 16,000,
10 employ over three million workers here in the state of
11 California, more than a quarter of the state's work force.

12 We would like to present some thoughts to the IWC
13 today and to the Commissioners for their consideration as
14 part of what we believe should be included in the charge to
15 any potential wage board on the minimum-wage issue.

16 From the outset, we do want to make sure that
17 Commissioners understand: We are very supportive of
18 policies that expand the opportunity for jobs and a -- and a
19 growing economy here in California.

20 What we would like to do here today is -- is point out
21 there are ways other than minimum wage, or along with
22 minimum wage, that could make life better for California
23 workers and California business; at the same time, not harm
24 the economy.

25 There are seven issues that we believe, at the

1 minimum, that should be added to any charge to the
2 Industrial Welfare Commission. First of all, information
3 must be provided to the wage board, illustrating how moving
4 the minimum wage from 6.75 to 7.75, will make California
5 home to the highest minimum wage in the nation.

6 We also believe that the information should be
7 considered and backup information provided to any potential
8 wage board members on the authority and the authority limits
9 of the Industrial Welfare Commission on a wage board, on
10 what they can and cannot consider when looking at the
11 adequacy of the minimum wage, particularly as it pertains
12 solely to the minimum wage for a single worker. We do not
13 believe that there is any statutory authority for the
14 Industrial Welfare Commission to consider indexing. We do
15 not believe -- the increases in the minimum wage, we also
16 believe information should be illustrated to wage board
17 members showing that there is a wide range of economic
18 impacts that are associated with any increase in a
19 government-mandated wage.

20 There is also side issues, such as the status of
21 a manager here in California is tied to what the rate of
22 the minimum wage is. That economic impact, we believe, also
23 should be examined and addressed in any wage board
24 consideration.

25 There is concern over the rapid rate of implementation

1 that the proposed petition, or that the petition in front of
2 the Commission today, might have on the business economy.
3 Nine months is a very quick time to put in a dollar
4 increase, so we would like that to be examined. And we
5 think there are other ways to remove barriers to economic
6 success here in California and, again, would like those
7 issues presented to any wage board.

8 As I noted, California's minimum wage is one of the
9 highest in the nation. Today, California employers pay
10 approximately 3,300 more per minimum-wage worker than any
11 other -- than most comparable states in the nation. Raising
12 it another dollar would raise that division between
13 California base wages for minimum wage, and the rest of the
14 world and the rest of the nation would raise up to \$5,380 in
15 difference between what we pay on base wages and what other
16 states pay. We think, again, this is an issue that should
17 be, at least, discussed.

18 In terms of the statutory authority on indexing, we
19 would like to point out that in the materials that you have
20 for the Commission today, you note that there is Labor Code
21 1173, and in that, it says that it is a continuing duty of
22 the Industrial Welfare Commission to examine the adequacy of
23 the state minimum wage. The continuing duty, we think, is
24 something that would actually prohibit you from considering
25 indexing, because you would be forfeiting or ignoring the

1 duty given to you statutorily by the legislature to continue
2 and to monitor and to increase the state minimum wage, as
3 you deem fit, on an ongoing basis. We do believe that you
4 do not have any authority, whatsoever, to add indexing to
5 any possible charge to a wage board.

6 As we noted, minimum wage increases do have real-world
7 impacts. It affects our workers' comp rates, our
8 health-care rate, our insurance rate on other types of
9 employment areas, and it also affects our tax rates. Again,
10 we think these issues should be examined.

11 Last of all, we do think that there are other ways
12 that we can make California's economy much more beneficial
13 to both employers and to workers. We think that there is a
14 number of ways, whether it's capable here by the Commission
15 or by the legislature, but certainly, we think that policy
16 makers should look at ways to make California more
17 competitive. We think that there should be a delink between
18 the minimum wage and the exempt-worker status. We think
19 that that is an unseen cost that is costing many managers
20 their -- their ability to maintain their manager status. We
21 think that they should reduce costs in supplying employee
22 benefits to California workers. We should increase the
23 opportunities for small business formation here in
24 California. We think that increasing the skills of both our
25 current and our future work force is paramount to any type

1 of competitive basis of the California business economy in
2 reducing regulatory red tape.

3 Happy to answer any questions.

4 Thank you for your time today.

5 CHAIRPERSON CURTIN: Thank you.

6 I'm sorry. I don't know your name but --

7 MS. JONES: Billie Ann Jones.

8 CHAIRPERSON CURTIN: -- if you'd identify yourself?

9 MS. JONES: Yes. Good morning, Mr. Chairman and
10 members of the committee. I appreciate the opportunity to
11 appear before you to talk about the impact that as --
12 increases of minimum wage with indexing will have on
13 hard-working families, and how this would relieve the
14 struggle we have been through because the minimum wage has
15 not kept up with inflation.

16 My name is Billie Ann Jones, as I've said before. I
17 have been an ACORN member for about a year. I am a
18 minimum-wage earner. I have been working for a employment
19 agency as a administrative assistant, customer service,
20 receptionist for three people, but yet I just get 6.75.

21 Through -- the work is hard. My wages are not enough
22 to cover my expenses. This means that to make sacrifices,
23 like choosing between utility bills, food, gas, PG&E, water,
24 those type of things, and others, as well as health care, my
25 wages have not helped in the least. I need help, so

1 therefore, I'm asking that you do something about it. You
2 have the power to do it. I know the Word says -- and I am a
3 widow, indeed, and I believe the Word of God. He has placed
4 you in authority to use righteous judgment in balancing and
5 weighing out things that needs to be done.

6 I'm crying out not only for -- not only for this
7 state, for the county, but for Richmond, California. San
8 Francisco is getting \$10.00 an hour. Up in Sac, God knows
9 what. But one thing I do know: When it comes to wages,
10 when you want a increase, you get it. You vote for it. You
11 get it. You don't put it to the people. You get it. When
12 it comes to the governor, whatever things that are needed,
13 he gets it.

14 What about the poor and the needy? What about the
15 innocent that are out there? Who's going to protect us?
16 You know. Nobody has to tell you the cost of gas prices.
17 Nobody has to tell you about the utilities. Or do you care?
18 The point being is that people need help. They expect you
19 to do the right thing. You know, you don't live where we
20 live, some of us, but now, if you choose to do it for six
21 months, we wouldn't mind. That way, you will know what's
22 going on, and you will have a different attitude. Sometime
23 when you don't know where people are coming from, you have
24 no idea, you could care less. But once you're put in that
25 position, you'll do everything to fight to get out. So

1 that's the reason why I'm here today, to speak, not only to
2 share what I feel and others that are unable to come, some
3 scared to leave their jobs to come to talk here today. Me?
4 I don't care. It's either live or die. So I'm here to face
5 you now, not only for myself, but others. We need help.
6 You're appointed. You're in authority. Do something about
7 it. That's why you're here. Not to just kick us off like
8 we're nobody.

9 This is the highest state in the world. Why are we
10 down to 6.75 in Richmond, and San Francisco is -- a rock
11 could throw there, and they're getting \$10.00 an hour. It
12 doesn't make sense. So, again, I want to stress, please, do
13 something about this. You're in authority. Do it.

14 Thank you very much.

15 CHAIRPERSON CURTIN: Thank you.

16 The mike to my left.

17 MS. BROWN: Good morning. My name is --

18 CHAIRPERSON CURTIN: Identify yourself. Thank you.

19 I'm sorry.

20 MS. BROWN: My name is Fannie Brown, and I'm a
21 member of ACORN, and I'm from the North Elmhurst
22 neighborhood in Oakland.

23 I'm here today to explain the plan launched by the
24 minimum wage should not only be increased, but also indexed
25 to inflation. Indexing may sound like it's a fantasy term,

1 but it's really very simple. If we don't index the minimum
2 wage, its buying power decreases year after year, and
3 minimum-wage workers fell farther and farther behind.
4 First, index -- every -- everyone knows that the price of
5 things are always going up, whether or not the minimum wage
6 does. So it is simply a matter of whether or not our
7 state's lowest-wage workers will be able to afford inflation
8 costs of things like gas, groceries and utilities.

9 Think about it. A significant wage against raising
10 the prices is like getting a pay cut, plain and simple. One
11 example: According to the study released last week, a
12 minimum-wage worker in California in two-0-one (sic) had to
13 work -- had to work five-and-a-half hours to pay for a tank
14 of gas. In May of 2006, the same workers would have to --
15 the same workers would have to work ten hours just to fill
16 up their tank of gas. That's more than a day's work to
17 drive their car, and almost twice what a -- what you would
18 take -- what you would have taken five years ago, it would
19 have taken five years ago. For it is fair. Low-wage
20 workers perform most -- some of the hardest disasters (sic)
21 and most important jobs in our community: clean our
22 buildings, empty our bed pans, wash our ki-- watch our
23 children, park our cars. We would like to accept the type
24 of work to go without annual cost-of-living adjustments.
25 Don't most of you get a annual increase? And so, many other

1 things have annually increases built in. Think about it.
2 If they stop indexing Social Security, there would be
3 rioting in the streets.

4 It better for business. Business -- businesses kept
5 -- business complain about having to raise wages. But,
6 given that we are going to keep fighting this fight coming,
7 annually indexing helps businesses plan ahead for regular
8 raises rather than be -- be forced to respond whether
9 politics pass bills or -- politicians pass bills or vote to
10 pass a ballot measure.

11 Indexing takes the issues out. Primarily, indexing is
12 the minimum-wage means that wouldn't have to fight this
13 fight year after year. We have other things to do to take
14 our state a better -- to make our state a better place to
15 live for everyone. At least, people supporting indexing,
16 like the minimum wage, in general, indexing has popular
17 support. States like Washington, Oregon, Nevada, Florida
18 have already indexed wages through successfully ballot
19 measures. In Florida, the measure passed with a whopping
20 71 percent of the vote. Polls continue to show strong voter
21 support for raising the minimum wage with annual -- with
22 annual increases. As a result, there are four additional
23 states moving minimum-wage increases proposed to November
24 '06 ballot, which includes annual indexing: Ohio, Colorado,
25 Missouri and Arizona.

1 I -- I want to close just by saying that I think it's
2 crucial to raise the minimum wage one year, and then let
3 workers suffer the next (sic). If it is right -- if it is
4 the right thing to do now, then the right thing to do next,
5 but then get -- but then get out there and take credit for
6 people working -- people, they just not following anyone.
7 We just -- we just don't buy it. If we -- if we do it,
8 let's do it right. Increase the minimum wage without (sic)
9 -- without (sic) indexing.

10 Thank you.

11 CHAIRPERSON CURTIN: Thank you, Ms. Brown.

12 Actually, our lines are getting longer rather than
13 shorter, so I'm going to ask, particularly those who are
14 used to testifying and are here representing organizations,
15 to get directly to the point. People who've traveled here
16 to have their say, feel free to say what they need to say.
17 But those who are up here representing organizations, please
18 stay as focused as possible.

19 This microphone. Thank you very much.

20 MS. BRASMER: I sort of fall in the middle of
21 that request.

22 CHAIRPERSON CURTIN: Then --

23 MS. BRASMER: I'm Nan --

24 CHAIRPERSON CURTIN: -- then do it in the middle.

25 However you feel right.

1 MS. BRASMER: Okay. I'm Nan Brasmer, and I'm
2 president of the California Alliance for Retired Americans.
3 We're a coalition of organizations representing retirees,
4 active working individuals, homeowner associations, tenant
5 associations, churches, et cetera, and we represent about
6 750,000 members from those groups, and we're here -- I'm
7 here because I'm concerned about the minimum-wage issue.

8 Many of our members, as retirees, are working for
9 minimum wage to supplement a very low Social Security or
10 pension. They need their jobs. Not -- it's not this 'get
11 out of the house and give those old folks something to do.'
12 They really do need the money, and minimum wage for them has
13 been very stable for all this time. So there are 1.4
14 million wage -- minimum-wage workers in this state.
15 Eighty-four percent are over the age of 20, and many of that
16 84 percent are retirees. So I'm here to speak on their
17 behalf, primarily.

18 But, you know, there's honor in work, and it doesn't
19 matter if you're the governor of this state, or if you're
20 the custodian in the State Capitol. Your work is honorable
21 and should be honored. And the workers who do the work at
22 the lower end of this spectrum deserve to have a minimum
23 wage that will help them get themselves out of poverty
24 because we know people who are earning minimum wage are in
25 poverty, in the poverty level, and they take advantage of

1 the poverty programs that are available to assist them.
2 If we paid them a decent wage and indexed it so they could
3 count on some sort of raise every year based on inflation,
4 they would be able to pay for those services and not be
5 dependent upon them all the time. It would also increase
6 their feeling of dignity because they could be proud, then,
7 that they're earning a decent wage, and they are able to
8 look after themselves.

9 The minimum wage folks that we talk to are home-care
10 workers, nursing-home folks -- and that's what you have to
11 watch out for 'cause when you get to the home, you want that
12 person well paid so they'll take good care of you. Service
13 jobs -- clerks, custodians -- all those folks, are
14 minimum-wage workers in many cases. And my favorite,
15 fast-food restaurants, for sure, fall into that category.
16 So, you know, it's something that covers a huge spectrum.
17 It's not just a certain group of people.

18 We'd like to be able to have you take action, and I
19 know you aren't going to do that today but, certainly, to
20 consider the indexing issue because it gives people an
21 expectation of having a little bit more. It isn't going to
22 be a huge amount; we all know that. It never has been. I
23 think the indexing on my Social Security check was 1.78
24 percent this year. It's not a lot of money. Trust me.

25 And then, too, you know, I read the other day, the

1 governor, bless his heart, is indexing his staff's payroll.
2 If it's good enough for the governor's staff who aren't
3 making minimum wage, Boys and Girls, it's good enough for
4 everybody else, as well. And I think that's a very serious
5 thing you need to consider.

6 So I thank you for your time, and I look forward to
7 having my request honored.

8 CHAIRPERSON CURTIN: Thank you for your testimony.

9 COMMISSIONER CREMINS: Mr. Chairman?

10 CHAIRPERSON CURTIN: We'll go to this side.

11 COMMISSIONER CREMINS: Mr. Chairman?

12 CHAIRPERSON CURTIN: Tim.

13 COMMISSIONER CREMINS: Maybe in the interest of
14 expediting testimony, I would make a motion, if proper, to
15 set this matter for public hearing and accept nominations
16 for a wage board --

17 CHAIRPERSON CURTIN: Actually, Tim, I --

18 COMMISSIONER CREMINS: -- if proper.

19 CHAIRPERSON CURTIN: -- think that's a little out of
20 order until our public testimony is over. At that point --
21 unless you've got a date, or something.

22 COMMISSIONER CREMINS: Unfortunately, no.

23 CHAIRPERSON CURTIN: Okay. Good. Then we'll --
24 we'll just continue.

25 And I will encourage everybody, again -- and it's

1 starting to look like the suits are coming, so they should
2 know enough to keep it pretty quick and -- and move on.

3 We'll start on my left.

4 MR. TERRY: Good morning, Mr. Chairman --

5 CHAIRPERSON CURTIN: Morning.

6 MR. TERRY: -- and members of the committee.

7 I'm Parke Terry, and I came by today to express the
8 support of the California Landscape Contractors Association
9 for this process. We have been a -- a vocal opponent of the
10 automated cost-of-living adjustments that have been in some
11 of the legislation that has been put forward on this. We
12 were also one of the few employers who supported SB 1167,
13 Senator Maldonado's bill, earlier this year that -- that
14 increased the minimum wage, but did not increase -- or
15 include a COLA.

16 We believe very strongly that this process needs to be
17 run by an adult, that there has to be human responsibility
18 and accountability for the decisions. And for that reason,
19 we -- we think this is the right way to go. We've advocated
20 for some time that this is the proper venue for this
21 decision to be made, and we encourage you to go forward with
22 this. And that's -- that's our testimony.

23 Thank you.

24 CHAIRPERSON CURTIN: Thank you very much.

25 To my right.

1 MR. PURSLEY: Members of the Commission, my name is
2 Peter Pursley. I'm with the Applied Research Center in
3 Oakland, California. We're an organization that addresses
4 matters of urban policy.

5 We would simply like to point out today that 73
6 percent of persons making the minimum wage up to 7.74 are
7 persons of color. This country has a long heritage of
8 racial injustice, and this is an opportunity for the
9 Commission to strike a remedial blow.

10 Speaking personally as an attorney, I would point out
11 that any argument that your continuing duty to examine the
12 minimum wage precludes considering indexing is not well
13 taken. You can adopt indexing and still discharge your
14 duty by continuing to examine the adequacy of the minimum
15 wage.

16 Thank you.

17 CHAIRPERSON CURTIN: Thank you.

18 To my left.

19 MS. DUNBAR: Lara Diaz Dunbar on behalf of the
20 California Restaurant Association.

21 We just want to assert that we -- we've always
22 asserted that this -- the IWC is the more appropriate body
23 to consider a minimum wage increase in this state, as
24 opposed to the legislative process. So we do agree and
25 believe that this is the right forum to consider the

1 adequacy of the minimum wage.

2 However, we don't believe that the IWC has the
3 authority to add an indexing mechanism. In fact, the IWC is
4 tasked by statute with looking at the adequacy of the
5 minimum wage every two years. We believe this is the -- is
6 the better mechanism to address inflation and to consider
7 increases, is through this body.

8 That having been said, we look forward to engaging
9 further as this process proceeds forward. We have been
10 opponents of the minimum wage for several reasons, the main
11 one being that in the restaurant industry, there's a paradox
12 that's created, where our highest-paid employees are the
13 minimum-wage earners because they get tips. And so it makes
14 it harder for the back-of-the-house folks, who may make
15 slightly higher than a minimum wage, to get increases, and
16 increased labor costs will make it harder for businesses
17 to stay alive. And because of this, we've typically been
18 opposed to minimum wage.

19 Thank you.

20 CHAIRPERSON CURTIN: Thank you.

21 To my right.

22 MR. ABRAMS: Mr. Chairman, members of the Commission
23 -- members of the Commission, my name is Jim Abrams. I'm
24 with the California Hotel and Lodging Association.

25 Very quickly, I will say that we support the positions

1 that have been articulated by Ms. Broyles of the Chamber of
2 Commerce, Mr. Terry and Ms. Dunbar of the Restaurant
3 Association.

4 I would like to add that we have always taken the
5 position that the level of the minimum wage in this state,
6 or in any state, needs to be taken in -- in context. And
7 some issues that are often overlooked but that are very
8 critical to determining what the proper minimum-wage level
9 should be are, number one: California, right or wrong, is
10 one of three states that has daily overtime. And that has a
11 benefit to employees, obviously, but it also has an economic
12 burden to employers, and particularly with reference to
13 interstate commerce. The fighting that goes on for
14 California -- in our case, hotels, the hospitality industry,
15 the tourism industry, vis-a-vis the states that don't have
16 that.

17 Also, we are one of four or five states that has no
18 tip credit; in virtually every state in the country, but for
19 those four or five, employees who earn more than a certain
20 amount of money each pay period in tips, the Federal Labor
21 Standards Act allows the employer to take a specified credit
22 against his or her minimum-wage obligation. And, again, we
23 are one of the few states that does not allow that. And in
24 the hospitality industry, that is particularly troublesome.

25 Also, based on research we've done with respect to

1 past minimum-wage proceedings before this Commission, we do
2 know that the cost of a typical convention or business
3 meeting in California, the exact same meeting, if you were
4 to hold it here, LA, San Francisco, et cetera, compared to
5 other cities in states where we compete is, depending on the
6 season, depending on the circumstances, anywhere from 40 to
7 60 percent more. Now, that is a -- a result not certainly
8 only of the minimum wage and many other factors in
9 California, and it's been mentioned by Mr. Pulaski, it's the
10 cost of living, et cetera. And those are certainly very
11 true statements. But to look at the minimum wage and say,
12 we're going to only look at the dollar amount that's
13 involved, without taking that in context, we feel, is really
14 missing part of the problem.

15 And I would like to underscore what Ms. Dunbar just
16 said, that the best way to deal with the inflationary
17 impact, whether it's good, bad, whether it's high, whether
18 it's low, whether there are countervailing considerations
19 over and above the CPI, is best dealt with in the process
20 that the legislature has set up for this Commission, which
21 is to review the minimum wage every two years. And the key,
22 really, is for this Commission to do that job in a more
23 efficient, regular and consistent manner than has typically
24 been done in the past.

25 Thank you very much.

1 CHAIRPERSON CURTIN: Thank you very much.

2 MR. SCHMELZER: Thank you, Mr. Chairman and members of
3 the Commission. My name is Jason Schmelzer with the
4 California Manufacturers and Technology Association.

5 While most manufacturers generally do not pay the
6 minimum wage, it does affect us in -- in a couple of very
7 important ways: First of all, the manager-exempt issue is a
8 problem for us. In order for an employee to be considered
9 exempt as a manager, they must be paid twice the minimum
10 wage. Under the current proposal, the one-dollar increase
11 in the minimum wage would result in a \$4,160 increase in pay
12 for somebody that is making that minimum managerial-exempt
13 salary.

14 Secondly, there's also interplays -- interplay with
15 wages and other costs for employers, such as Workers'
16 Compensation premiums, Unemployment Insurance, State
17 Disability Insurance, et cetera. As a representative of the
18 manufacturing industry, an industry that pays somewhere
19 between 50 and \$60,000 average salary, this creates problems
20 for us. We have other costs that are extraordinarily high
21 in California, right along with labor, and what we're
22 concerned about is not seeing an increase in the minimum
23 wage result in a decrease in good jobs that the
24 manufacturing industry provides, so we would hope that the
25 Commission consider that as they move forward.

1 Thank you.

2 CHAIRPERSON CURTIN: Thank you.

3 On my right.

4 MR. LYON: Michael Lyon, California Alliance of
5 Retired Americans and Gray Panthers.

6 Why is it that the better the economy does, the
7 worse is the life for working families? I've got two kids
8 in their early -- in their 30s. Both of them have
9 three-year-old -- or both of them are married. Both of them
10 have three-year-old kids. My daughter lives downstairs from
11 us in our base -- in our downstairs floor. She and her
12 husband are both in -- going to school. They're trying to
13 be able to get out of their jobs as coffee servers. Unless
14 wages are indexed, minimum wages are indexed, they are never
15 going to be able to move out of downstairs.

16 We'd like to get out of our house and move into a
17 smaller place. We can't. We're being held hostage to them.

18 CHAIRPERSON CURTIN: Sounds pretty fierce.

19 MR. LYON: And the reason -- and the reason this is
20 happening is because minimum wage is so low and because it's
21 not being indexed. They are falling further and further
22 behind.

23 My other son used to live in San Francisco. We don't
24 see him very -- very often because he had to move to Davis
25 because of the housing costs were so great. He is falling

1 further and further behind. He works in landscape.

2 This has got to change.

3 CHAIRPERSON CURTIN: Thank you very much.

4 To my left.

5 MR. SHAW: Thank you, Mr. Chairman and Commission
6 members. My name is Michael Shaw. I'm representing the
7 National Federation of Independent Business. We have
8 approximately 36,000 small business owners as members across
9 the State of California and 600,000 nationwide.

10 As -- as we all know, small business is the engine of
11 the -- California and the national economy, and anything
12 that impacts their ability to be successful to create a more
13 vibrant economy affects the availability of jobs at all wage
14 levels.

15 I appreciate the -- the previous witness' comments
16 about his children -- or his son-in-law, daughter -- or
17 daughter attending school. That is exactly an issue that
18 needs to be addressed, is education, because that is one way
19 that individuals can lift themselves out of a minimum wage
20 job. Additionally, acquiring new skills through the work
21 experience is another way that skills can be acquired and
22 job benefits can increase pay and wages of all -- of all
23 ranges. And that is the one way that this Commission needs
24 to consider the impact, is the avail -- the impact to that
25 process, of increasing the minimum wage.

1 Small-business owners have told us, time and time
2 again, that one of the ways that they deal with increase in
3 business costs is to cut jobs. If they don't cut jobs,
4 necessarily, they -- they certainly do end up cutting hours,
5 cutting wages in other areas, other benefits, and we're
6 simply reducing the opportunity for many of the individuals
7 who the minimum wage purports to help, reducing their
8 opportunity.

9 I would also echo -- echo the comments of Mr. Abrams
10 earlier in encouraging the Commission to also consider
11 restoration of the 40-hour work week here in California.
12 As noted, we are one of a handful of states that has this
13 restriction on employers, and employees alike, that limits
14 their ability to meet the needs of both their business and
15 their family. It's very often overlooked that those that
16 often call for the index of the minimum wage are -- some
17 of those that call for the index of the minimum wage, enjoy
18 the benefit of not being restricted to an 8-hour workday.
19 We would encourage the Commission to consider that issue, as
20 well, when the wage board is convened.

21 CHAIRPERSON CURTIN: Thank you.

22 To my right.

23 MR. SANDAHL: Good morning.

24 CHAIRPERSON CURTIN: Good morning.

25 MR. SANDAHL: Chairman Curtin and Members of the

1 Commission. My name is Lee Sandahl. I am a member of, and
2 I am speaking on behalf of the International Longshore and
3 Warehouse Union.

4 The Union feels strongly that it is time to raise the
5 minimum wage. But raising the minimum wage is only a
6 partial solution. Indexing is the other part. Indexing
7 will allow workers to, at least, keep up with the cost of
8 living. Longshore workers and their retirees have COLAs
9 built in their collect -- built into their collective
10 bargaining agreements. So I'd like to actually ask all of
11 you that isn't it time that the state with the world's -- or
12 one of the world's largest economies and wealthiest
13 economies start to support those workers that made this
14 possible.

15 CHAIRPERSON CURTIN: Thank you very much.

16 To my left.

17 MR. WALKER: Good morning, Commissioner Curtin and
18 other commissioners. Chris Walker on behalf of the
19 Automotive Repair Coalition of California, representing
20 about a third of the industry, the service providers in the
21 industry, 10,000 businesses, over a hundred thousand
22 employees.

23 We're here to affirm our support for the IWC as the
24 appropriate forum for discussions about increases to the
25 minimum wage. We're open to discussions about increasing

1 the wage.

2 What we're absolutely against is the index. We think
3 getting rid -- or establishing an index gets rid of a very
4 important tool for California to address the complexities of
5 the economy and the market. As we look forward with the
6 increasing interest rates, an uncertain economy ahead,
7 employers are very concerned about the multiplier effects
8 that would occur in our industry.

9 Now, just -- just to be clear, very few mechanics are
10 getting paid minimum wage in the auto -- in the auto repair
11 industry. But there is a multiplier effect in the wage --
12 in the wage associated with the auto repair technicians.
13 There's also multiplier effects when you look at workers'
14 comp, when you look at all of the other overtime, et cetera,
15 et cetera.

16 So when a wage board is selected and -- and put
17 into place, we would want to make sure that the complexities
18 and the multiplier effects are brought into consideration,
19 and we would also oppose vigorously any index.

20 Thank you.

21 CHAIRPERSON CURTIN: Thank you.

22 On my right.

23 MR. SCHACHT: Mr. Chairman, Members, Mark Schacht,
24 California Rural Legal Assistance Foundation.

25 Obviously, we support an increase in the minimum wage

1 of, at least, a dollar, and we, obviously, also support
2 indexing.

3 I want to make a couple of quick points. We'd ask the
4 Commission and when it makes its charge to the wage board,
5 that it not restrict the discussion to just an increase of a
6 dollar, but that it be, at least, a dollar, and that it also
7 specifically include indexing.

8 We'd also request that when the wage board members are
9 named, that they -- I'll use -- I'll use a pejorative here,
10 that it not be stacked in favor of those who are only
11 supporting a one-dollar increase and those who are opposing
12 indexing.

13 A final point is on the legal authority of the
14 Commission to address indexing and adopt indexing. We think
15 that, even though you have a statutory mandate to review the
16 adequacy of the minimum wage every two years, you could
17 implement that mandate in the context of indexing by
18 assessing whether indexing was adequately protecting minimum
19 wage.

20 Thank you.

21 CHAIRPERSON CURTIN: Thank you very much.

22 On my left.

23 MR. GABRIEL: Yes. Thank you.

24 My name is Roy Gabriel --

25 CHAIRPERSON CURTIN: Hi, Roy.

1 MR. GABRIEL: -- representing the California Farm
2 Bureau Federation. We represent eight -- 88,000 farmers and
3 ranchers here in California.

4 The minimum wage has been a major issue for us because
5 we simply cannot easily pass those costs on because the
6 fruit and vegetable industry, as many of you know, is based
7 on supply and demand. If we were operating in a vacuum
8 here, that wouldn't be an issue, but we compete heavily with
9 other states and other countries, as well. California --
10 while California produces the finest fruits and vegetables
11 on -- on the face of the earth, our production costs are
12 also the highest, and you need to take -- take that into
13 serious -- serious consideration when you consider a
14 minimum-wage increase, or even the thought of possible
15 indexing.

16 Thank you.

17 CHAIRPERSON CURTIN: Thank you, Roy.

18 To my right. Nice to see you.

19 MS. NEGRETE: Nice to see you.

20 I'm Carolyn Negrete. I'm representing the Older
21 Women's League, and we support increasing the minimum wage
22 and indexing the minimum wage.

23 But we would probably go a step further. Just a few
24 days ago, we had our Big Ideas Series meeting, which was
25 focused on poverty and wealth and the -- and California

1 legislation. It is clearly time that we end poverty.
2 You've had a committee in the Senate to end poverty. There
3 is still work being done on that. We especially need to
4 look very carefully at government-sponsored poverty and see
5 that we are not part of the problem. We know that poverty
6 in any nation is a -- pulls down the economy, and we need to
7 -- we need to start being smart about how we're making
8 decisions and why we're make decisions.

9 Thank you.

10 CHAIRPERSON CURTIN: Thank you.

11 On my left.

12 MR. AGEE: Good morning, Mr. Chair, members
13 of the Commission. My name is Jovan Agee, representing the
14 United Domestic Workers of America, AFSCME. We represent
15 55,000 in-home supportive-services workers in the state.
16 They go in the homes and take care of the frail, elderly and
17 disabled, many of them at minimum wage.

18 I would just like to concur with many of the comments
19 made today, that is, calling for a minimum wage, plus
20 indexing, and I've brought with me a member today that can
21 tell you better than I can how hard the work is, to do it at
22 6.75, and not know when again when they might get their next
23 raise.

24 Thank you.

25 MS. YOUNG: Hi. Thank you for your time. My name

1 is Carrie Young. I'm an in-home supportive worker in Merced
2 County, California.

3 I'd just like you to take into consideration that when
4 you go to the gas pump or you go to the grocery store, we
5 pay the same money that you do. If you bought a gallon of
6 gas last week, yesterday, you know what it costs. But we do
7 it with a lot less money. You go into the grocery store and
8 buy your filet mignon. Many of us don't. Just think about
9 that. Okay?

10 Thank you.

11 CHAIRPERSON CURTIN: Thank you.

12 You know, I'd like to reserve, if you would indulge
13 me, Mr. Rankin is an old colleague of mine and is extremely
14 astute and articulate on this issue. If I could reserve his
15 comments till the end, and if we could try to wrap up the
16 other public comments, I think it would be helpful.

17 And he's agreed to that.

18 So if there are some more comments, please come to the
19 mike. But if they've already been stated, and you're just
20 restating the obvious, please consider your comments and
21 keep them as brief as possible.

22 Thank you.

23 MR. GAITAN: Good morning. Andrew Gross Gaitan. I'm
24 the Vice-President of SEIU, Local 877. We represent about
25 30,000 private-sector service workers, primarily janitors,

1 across California.

2 Josefa Mercado is our shop steward for Downtown Plaza
3 here in Sacramento, and she has a few comments for the
4 Commission.

5 CHAIRPERSON CURTIN: Okay. Thank you.

6 MS. MERCADO: My name is Josefa Mercado.

7 CHAIRPERSON CURTIN: Closer to the mike. Thank you.

8 MS. MERCADO: Okay.

9 (Ms. Mercado's statement is in Spanish and interpreted
10 by Mr. Gaitan.)

11 MS. MERCADO (through interpreter): I've been working
12 for thirty years as a janitor, and the minimum wage has
13 never kept up with the cost of living. And it's not much
14 that janitors earn doing this work, and it's not fair to
15 stay at that level. We'd like the -- the minimum wages to
16 keep up with the cost of living.

17 And I've been here for so many years. I'm Puerto
18 Rican, and I've been working here in Sacramento for more
19 than thirty years, and we -- the minimum wage is just not
20 enough to be able to support a family. That's why we want
21 to see it connected to the cost of living, because
22 everything goes up: gas, rent, food, clothing. Everything.

23 CHAIRPERSON CURTIN: Thank you very much.

24 MR. GUZMAN: My name Victor Guzman. I've been a baker
25 for 39 years. I've retired. Representing the Bakers Union

1 today. Wrong outfit but baker, regardless.

2 Anyway, I'd like to say that we're all here on the
3 board (sic). We're all here, and a lot of older ones. We
4 remember what Wonder Bread used to cost. Twenty-five cents?
5 Don't cost 25 cents anymore. Just like our wages, they have
6 to go up. Minimum wages definitely have to go up in order
7 for us to -- to continue.

8 These kids that we have working in the businesses,
9 general business, they have to know computers. They have to
10 pay for schools. They have to pay for this, they have to
11 pay for that, and we, the bakers, we support a wage
12 increase. That I would just like to let you know.

13 CHAIRPERSON CURTIN: Thank you very much.

14 MR. GUZMAN: Bakers do.

15 CHAIRPERSON CURTIN: Appreciate it.

16 MR. GUZMAN: Thank you.

17 CHAIRPERSON CURTIN: On my left? Because if
18 there's more public comment, this is the time.

19 By the way, this is not the last opportunity -- trust
20 me -- to be speaking out on this, so don't feel compelled if
21 you're not prepared.

22 Go ahead.

23 MS. FIELDS: Hi. My name is Favien Fields, and I
24 just became a member of the ACORN. But we traveled here
25 from Fresno, and I'm here to speak on -- as far as the

1 minimum wage.

2 I've done work as a in-home-care service worker and
3 worked with minimum wage. I've raised three children
4 working just on minimum wage, and truly, it's been a
5 struggle with minimum wage and public assistance.

6 I'm for the minimum wage increase per year. I have
7 came and lived in Sacramento, and I've reaped the benefits
8 of living in Sacramento. And I know the -- that there is a
9 big discrepancy with the wages that are paid here than what
10 we are being paid in little Fresno. And as a parent and as
11 a person in a community where there is crime, and things
12 like that, I feel that that has a lot to do with the
13 increase in the minimum wage.

14 A lot of my friends my age I've talked to and
15 encouraged them to go into jobs and pursue their education,
16 and a lot of them come with, you know, the thing that 6.75
17 is not enough, you know. What's the need of going to work?
18 I'm one of those who -- who is continuing my education. I'm
19 working with the school district. It's part-time. I've
20 went to 9.17 an hour. Even though it's part-time, it's
21 still not enough. And in California, we're requiring
22 insurance and different things like that. I have to choose
23 between registration, car insurance or paying for medicine
24 or shoes or clothes, or things like that.

25 So if you would, please consider raising the minimum

1 wage. That would be great for all of us.

2 CHAIRPERSON CURTIN: Thank you very much.

3 And I'm going to assume -- okay. Tom, will you wrap
4 it up. I think we'll -- we've had a -- a pretty good
5 discussion.

6 MR. RANKIN: Thank you.

7 CHAIRPERSON CURTIN: You're welcome. Pleasure to see
8 you again.

9 MR. RANKIN: Good to see you. I -- I actually didn't
10 plan to say anything, but I see that the aging process
11 doesn't affect my adrenal glands, and when I hear things
12 like the Chamber of Commerce saying that they represent two
13 million workers, and that's one-fourth of the state's work
14 force, I begin to wonder about how they color the other
15 facts. Since last I knew, the work force was about
16 17 million, and that's about one-eighth. So, anyway, if
17 they can't get that right, they don't get much else right,
18 either, I don't think.

19 The -- but -- but, first of all, I want to talk about
20 their arguments that you can't consider indexing. But
21 before I get into that, I think you might want to ask
22 yourself a more basic question, and that is: Whether you
23 have the authority to do anything, under the present
24 circumstances, since the constitution says that: The
25 legislature may provide for minimum wages and for the

1 general welfare of -- of employees, and for those purposes,
2 may confer on a commission legislative, executive and
3 judicial powers. Well, when the legislature defunds
4 something, someone might take the position that you're no
5 longer conferred with any of those duties because the
6 legislature saw fit, and the constitution gives the
7 legislature the authority to govern you, not the governor.
8 So one might ask whether the governor has unilateral
9 authority to reconstitute the Industrial Welfare Commission.

10 We all remember when the governor unilaterally did
11 away with Cal-OSHA. It took an initiative to get it back,
12 and the legislature couldn't even do anything about it. So
13 we're going to watch these unilateral moves here.

14 Anyway, in terms of the legal argument that you have
15 no statutory authority to consider indexing, they -- they,
16 apparently, base that on the section of the Labor Code that
17 gives you the duty, the continuing duty, to ascertain the
18 wages paid to all employees in this state, to ascertain
19 the -- no, that's the wrong one. "The Commission shall
20 conduct a full review of the adequacy of the minimum wage
21 at least every two years. The Commission may, upon its own
22 motion or upon petition, amend or rescind any order or a
23 portion of any order or adopt an order covering any
24 occupation, trade industry not covered by an existing order
25 pursuant to this statute."

1 Now, they just made a bald statement. Somehow in
2 there, you don't have -- because it says that, you don't
3 have the statutory authority to index. There's nothing in
4 there that says that. It just says: You have to review it
5 every two years. Now, I assume that what the Industrial
6 Welfare Commission giveth, it can also take away. So if
7 there were a sudden recession or depression, and the price
8 of gas went down to 50 cents a gallon, maybe you can decide
9 that the minimum wage was more than adequate to provide the
10 necessary cost of living, and you could lower it. So it
11 doesn't take away your authority to do -- to change it. You
12 could -- you could decide, and I think you would have to,
13 that indexing really doesn't -- if you raise it a dollar and
14 index it, that doesn't provide the necessary cost of proper
15 living in California by a long shot. If the minimum wage
16 had been indexed since 1968, it would be nine-something an
17 hour, and if it had been indexed to productivity, which is
18 probably a more reasonable index -- that's what the workers
19 produce -- it would be \$25.00 an hour.

20 Now we all know where that productivity money went to.
21 It went to the top. It went to those CEOs, who are making
22 ten, twelve, fifteen million dollars a year. And that is
23 one of the big problems in our society, this growing gap
24 between the rich and the poor. And that's the duty of the
25 Industrial Welfare Commission, to address that problem.

1 I mean, you know, folks, indexing -- the employers love it
2 when it comes to tax brackets. They like to get their tax
3 brackets indexed.

4 Another example, the price of milk in California, the
5 price that gets paid to the producer, not the cow, but the
6 dairy farmer is -- is actually indexed and changes either
7 every month for some milk products or every two months for
8 others. It goes up all the time. They love it for the
9 farmers. Why not for the workers?

10 So do your duty, whatever you decide it is given the
11 -- what I mentioned at the beginning of the presentation,
12 but indexing definitely needs to be on the table, because
13 without it, we're never going to keep it. You all know the
14 history of the IWC. The review every two years is a joke.
15 It doesn't happen. The employers resist it. They argue, so
16 now suddenly the two-year review, which they don't like in
17 the first place, becomes the reason not to index. It's
18 ridiculous.

19 Thank you.

20 CHAIRPERSON CURTIN: Thank you very much, Tom. And I
21 might add, thank you very much for wrapping up the debate
22 with putting a little historical context. You do put us in
23 a bit of a conundrum by starting -- saying that we start
24 with no authority, but just in case we have some, keep it
25 open. But that's a good question mark for all of us.

1 I want to ask the members of the Commission if they'd
2 like to make some comments. And when we're completed with
3 that, we'll move to the motion that you made earlier, Tim.
4 Be more appropriate now if anybody wants to say anything.
5 Otherwise, we'll just move straight to the motion.

6 COMMISSIONER CREMINS: I would make a motion to set
7 this for public hearing and accept nominations for a wage
8 board.

9 COMMISSIONER ROSE: Second.

10 CHAIRPERSON CURTIN: Okay. Motion made and seconded.

11 All in favor?

12 (A unanimous vote was cast).

13 CHAIRPERSON CURTIN: Any opposed? Okay. Then I
14 think we have it. All in favor. I'm in favor.

15 Now that we've accepted this petition to review the
16 minimum wage, we're going to -- I have some instructions
17 here, so again, you'll have to bear with me. I don't even
18 know what they mean. No, that's not quite true.

19 We will be setting a hearing, a public hearing for a
20 -- a more extensive discussion of the merits, I believe. We
21 are setting it for July 5th, 2006, and on my little note
22 here, I'm wondering where.

23 MS. FONG: (Unintelligible.)

24 CHAIRPERSON CURTIN: Possibly right here.

25 But when we put out the notice, you will know exactly

1 where.

2 MS. FONG: It's going to be here.

3 CHAIRPERSON CURTIN: It's going to be here. Okay.

4 So July 5th, right. Right. And I think at that meeting, do

5 we then -- is that where we enable the wage boards, rather

6 than through the motion that Tim made?

7 MS. FONG: Yes.

8 CHAIRPERSON CURTIN: Today's just to accept the

9 petition, and we will -- we'll separate your motion and put

10 the wage boards together.

11 But we do want to tell you that applications to sit on

12 those wage boards are available in the back of the room.

13 There's a deadline for applications on the basis of the

14 July 5th meeting for Friday, June 23rd, 2006. Your

15 application has to be in by then.

16 I assume there are other ways to get these

17 applications. Is it online? On the IWC Website. And at

18 that point, on July 5th, we'll have further discussion and

19 set that wage board up. And I believe this will be the

20 beginning of a very long -- or not very long, hopefully not

21 too long, but a very lively conversation about all of the

22 issues that you raised here today.

23 And I think they were all very, very well stated, I

24 might add, at every level of the conversation.

25 Now, I have to now go into closed session to review

1 some pending litigation according to Government Code
2 Section -- hmmm -- that's what's bad about giving me papers.

3 MS. FONG: Government Code Section 11126.3.

4 CHAIRPERSON CURTIN: Okay. 11126.3, paragraph D,
5 for those of you who have --

6 COMMISSIONER ROSE: Mr. Chair?

7 CHAIRPERSON CURTIN: -- your government codes. Yes.

8 COMMISSIONER ROSE: Over here.

9 CHAIRPERSON CURTIN: Over where?

10 COMMISSIONER ROSE: To your left.

11 CHAIRPERSON CURTIN: Hi, Harold. Yeah.

12 COMMISSIONER ROSE: Before you get into that, a point
13 of clarification.

14 CHAIRPERSON CURTIN: Yes.

15 COMMISSIONER ROSE: On the July 5th meeting, you were
16 going to add the other proposals --

17 CHAIRPERSON CURTIN: Absolutely.

18 COMMISSIONER ROSE: -- for indexing and whatever else
19 is before us.

20 CHAIRPERSON CURTIN: We are going to entertain all of
21 the proposals, yes, but I -- anyway, we'll discuss it then,
22 yeah.

23 Angie, did you want to say something, or do you have a
24 question or --

25 MS. WEI: Mr. Chair, just a clarification.

1 Angie Wei on behalf of the California Labor
2 Federation.

3 There will be no subsequent meeting or hearing of the
4 IWC prior to the July 5th meeting. And at the July 5th
5 meeting, the California Labor Federation's petition for
6 indexing will be considered and dealt with?

7 CHAIRPERSON CURTIN: Absolutely.

8 MS. WEI: And do we -- if I may, the --

9 CHAIRPERSON CURTIN: Hold on a second. I'm getting --
10 I'm getting some (sotto voce conversation among some panel
11 members)--

12 Okay.

13 All right. So just for clarification, we have the
14 authority to call another meeting as long as we give ten-day
15 notice. I'm giving more than ten days for the
16 July 5th meeting. Yes, that petition will be on the agenda
17 at that meeting.

18 If there is a earlier meeting, it will be on -- if
19 it's within ten days from here, it will be on that agenda.
20 Right now we don't have plans for an earlier meeting, but we
21 do have the authority to call a meeting with ten days'
22 notice.

23 Yeah. Clarification, I assume? Okay.

24 MR. ABRAMS: Jim Abrams of the California Hotel and
25 Lodging Association. Just a question.

1 If you're meeting on the 5th of July, I am assuming,
2 but I want to confirm, that you will be expecting people who
3 have views and information and statistics that they wish to
4 present so that you can have a complete record to send to
5 the wage board, that that would be the opportunity to do so?

6 CHAIRPERSON CURTIN: I'm not positive about that.
7 I'm going to look around. I think that is a -- one of the
8 major opportunities, and if they're not presented there,
9 they can certainly -- I believe they can be presented at the
10 wage boards or no?

11 MS. FONG: Well, when the wage board is convened,
12 only written comments are accepted, but for the hearing on
13 July 5th, you can go ahead and submit written comments.

14 CHAIRPERSON CURTIN: The answer is yes.

15 MR. ABRAMS: I -- yeah, I think the -- just -- just
16 to clarify. I think that you will -- if the Commission
17 decides to go forward and say we are going to call a wage
18 board, you're going to give them a charge. And typically,
19 not that you are bound by historical process, the Commission
20 has said to the wage board, we are asking you to look at
21 these issues. Here is information we think you ought to
22 have. And I know you will, to the extent you can, do your
23 own research, get your own statistics, but this would be the
24 opportunity for a group such as mine, if we wanted to
25 provide information to --

1 CHAIRPERSON CURTIN: The answer is yes.

2 MR. ABRAMS: Okay. Thank you.

3 CHAIRPERSON CURTIN: Mr. Broad, you wanted
4 clarification.

5 MR. BROAD: Mr. Chairman --

6 CHAIRPERSON CURTIN: Yes.

7 MR. BROAD: Acting Chairman.

8 CHAIRPERSON CURTIN: I don't think so.

9 MR. BROAD: You should have --

10 CHAIRPERSON CURTIN: I don't think so. You want my
11 personal opinion, I don't think so, but that's all right.

12 MR. BROAD: All right.

13 CHAIRPERSON CURTIN: We all have opinions; you know
14 what that means.

15 MR. BROAD: All right. Ask and you will find out.

16 CHAIRPERSON CURTIN: Okay.

17 MR. BROAD: Anyway, is our -- our wonderful little
18 petition also on the agenda for --

19 CHAIRPERSON CURTIN: Yes.

20 MR. BROAD: Okay.

21 CHAIRPERSON CURTIN: Whatever petition has -- comes in
22 before we notice the meeting.

23 MR. BROAD: Okay.

24 CHAIRPERSON CURTIN: That meeting has not been
25 noticed officially. Any petition that comes in before that

1 notice. That's the only problem with the other petition.

2 MR. BROAD: Okay.

3 CHAIRPERSON CURTIN: You can't put something on the
4 agenda that hasn't been in the meeting notice.

5 MR. BROAD: Thank you.

6 CHAIRPERSON CURTIN: Okay. No problem.

7 Okay. We have a motion and we've done that. Now
8 we're going to adjourn to a private session to -- do I have
9 to say anything else about that? Yeah, one more thing.

10 (Sotto voce conversation among panel members.)

11 CHAIRPERSON CURTIN: Okay. A notice has gone out.
12 But for those who are concerned about their petitions, there
13 will be a revised notice. Feel -- trust me on this one, we
14 will have a revised notice. Any petition that is in our
15 hands will be reviewed at that meeting.

16 So we go to private session to discuss this, and then
17 we come back for purposes of adjournment only.

18 Thank you very much. I enjoyed it.

19 (Recess taken.)

20 CHAIRPERSON CURTIN: Okay. We're going to declare
21 ourselves back in session for the purposes of a motion to
22 adjourn. Do I hear one?

23 COMMISSIONER GUARDINO: I so move.

24 COMMISSIONER CREMINS: I move motion for adjournment,
25 Mr. Chairman.

1 CHAIRPERSON CURTIN: It's already been moved.
2 Do you want to second it?
3 COMMISSIONER CREMINS: Second it.
4 CHAIRPERSON CURTIN: Okay good. All in favor?
5 (A unanimous vote was cast.)
6 CHAIRPERSON CURTIN: Okay. All opposed?
7 (No response.)
8 CHAIRPERSON CURTIN: Good. We're adjourned.
9 Thank you very much. I enjoyed it.
10 (The meeting adjourned at 11:47 a.m.)

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