



SCHOOL & COLLEGE LEGAL SERVICES OF CALIFORNIA

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5350 Skylane Boulevard
Santa Rosa, CA 95403

Tel: (707) 524-2690
Fax: (707) 578-0517
santarosa@sclscal.org
www.sclscal.org

General Counsel
Carl D. Corbin

Attorneys
Monica D. Batanero
Nancy L. Klein
Damara L. Moore
Jennifer E. Nix
Steven P. Reiner
Mia N. Robertshaw
Loren W. Soukup
Patrick C. Wilson
Frank Zotter, Jr.

Of Counsel
Robert J. Henry
Janna L. Lambert
Margaret M. Merchat
Virginia A. Riegel

LEGAL UPDATE

April 11, 2016

To: Superintendents, Member School Districts (K-12)

From: Damara Moore *DM*
Senior Associate General Counsel

Subject: Increase in Minimum Wage Law (SB-3)
Revised Memo No. 10-2016

On April 4, 2016, Governor Brown signed Senate Bill 3, an act to increase the State minimum wage, as well as to provide paid sick leave to previously uncovered in-home support care providers. This update focuses on the raise in the State minimum wage, which is applicable to all employers, including school districts. Cal. Lab. Code § 1182.12(b)(3).

The new law adds Section 1182.12 to the California Labor Code. It raises the minimum wage to \$10.50 per hour starting January 1, 2017 and gradually increases it to \$15 per hour until January 1, 2023. Local hourly wages that are above the State minimum wage will be unaffected by the change in the law.

With the exception of when a “pause button” is pushed by the Governor (described further below), the law sets forth two time frames for the increase, depending on whether the employer employs 26 or more employees or 25 or fewer employees. Here is a summary of the increase schedule:

Employers of 26 or More Employees:

January 1, 2017 – December 31, 2017:	\$10.50/hour
January 1, 2018 – December 31, 2018:	\$11.00/hour
January 1, 2019 – December 31, 2019:	\$12.00/hour
January 1, 2020 – December 31, 2020:	\$13.00/hour
January 1, 2021 – December 31, 2021:	\$14.00/hour
January 1, 2022 – December 31, 2022:	\$15.00/hour



Employers of 25 or Fewer Employees:

January 1, 2018 – December 31, 2018:	\$10.50/hour
January 1, 2019 – December 31, 2019:	\$11.00/hour
January 1, 2020 – December 31, 2020:	\$12.00/hour
January 1, 2021 – December 31, 2021:	\$13.00/hour
January 1, 2022 – December 31, 2022:	\$14.00/hour
January 1, 2023 – December 31, 2023:	\$15.00/hour

The Governor may suspend or “pause” these scheduled wage increases up to two times over the course of the schedule if the State Director of Finance determines the State’s General fund would be in a deficit for the current fiscal year or the following two fiscal years if the increase went forward. A suspension would postpone the increase one year.

In addition, after the scheduled increases are in effect, the law ties ongoing hourly wage increases each year to inflation, as measured by the Consumer Price Index.

Of 7 million hourly workers in California, nearly 2.2 million currently are paid minimum wage. The impact of this bill on educational agencies is budgetary, and collective bargaining agreements and other salary schedules should be reviewed to ensure compliance with the new law. Educational agencies should revise any affected agreements through memorandums of understanding to reflect the change.

There are labor-supported ballot initiatives to increase the minimum wage proposed for the November 2016 ballot which will purportedly be withdrawn due to the passage of this legislation.

Please contact our office with questions regarding this Legal Update or any other legal matter.

The information in this Legal Update is provided as a summary of law and is not intended as legal advice. Application of the law may vary depending on the particular facts and circumstances at issue. We, therefore, recommend that you consult legal counsel to advise you on how the law applies to your specific situation.

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