

CALIFORNIA NEEDS A LIVING WAGE FOR ALL

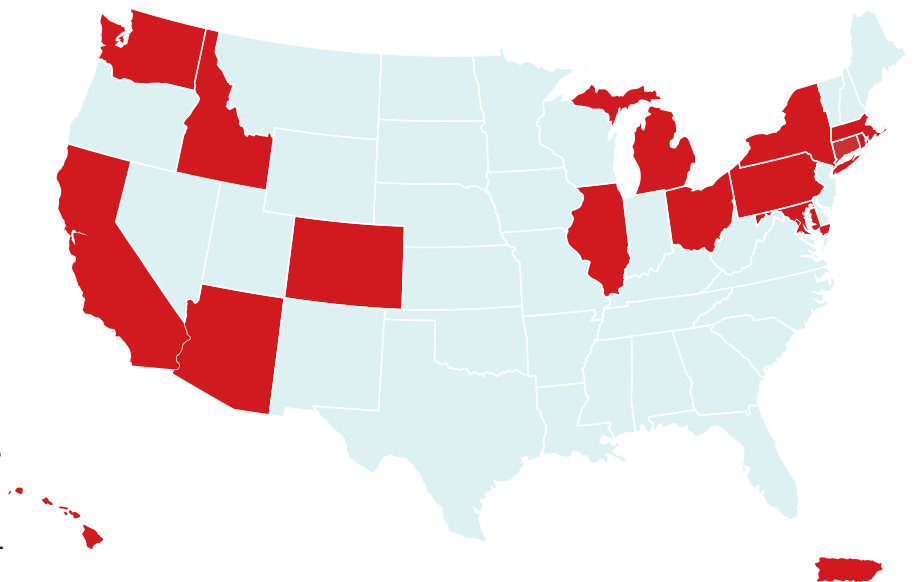
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The **California Living Wage for All Coalition** is a formation of worker and criminal justice organizations seeking to advance policy that will raise the California minimum wage to be closer to what it actually costs to live in the state, and end the subminimum wage for incarcerated workers. AB 1516, introduced in the California session by Assembly Member Kalra, will serve as the initial vehicle for this campaign to advance this policy. The California Living Wage for All Coalition urges the California legislature to pass legislation that would raise the minimum wage to at least \$22-24 an hour, phased in by an increase of approximately \$2 per year, and fully phase out the subminimum wage for incarcerated workers.

NATIONAL MOMENTUM ON RAISING WAGES TO MEET THE COST OF LIVING

With the extreme rise in the cost of living in California and nationwide, multiple states are advancing policy to raise the minimum wage closer to the cost of living and end subminimum wages.

- › Legislation has been introduced in **New York, Rhode Island, and Ohio** to raise the minimum wage to \$21 an hour, and legislation has passed in **Hawaii** to raise the minimum wage to \$18 an hour.
- › More than three quarters (76 percent) of **Washington, DC** voters voted to end the subminimum wage for tipped workers in November 2022.¹
- › Eleven states (**New York, Rhode Island, Massachusetts, Illinois, Connecticut, Puerto Rico, Hawaii, Colorado, Maryland, and Pennsylvania**) are advancing legislation to end the subminimum wage for tipped workers in 2023.
- › 4-5 states (**Arizona, Idaho, Michigan, Ohio**) will be moving ballot measures in 2024 to raise the minimum wage to \$15 or \$18 an hour and end subminimum wages for tipped workers, workers with disabilities, and youth.
- › In addition, **Washington** state has legislation pending to end the last subminimum wage that exists in **California** – the subminimum wage for incarcerated workers.
- › With all of this momentum, national organizations leading federal minimum wage policy have determined that future federal minimum wage policy should set minimum wages based on the actual cost of living and end all subminimum wages. California can lead the way.



LIVING WAGE FOR ALL IN CALIFORNIA

In the cheapest county in California, Modoc County, the 2023 MIT Living Wage calculator estimates that one working adult in a two-parent, two-child household would need at least \$23.74 per hour to cover the basis costs of living (rent, childcare, transportation, health care).

- › **There is incredible momentum nationwide to end all subminimum wages in the United States, including the context of prison labor.** In California, roughly 65,000 people in prison work full-time for California Department of Corrections of Rehabilitation (CDCR) and California Prison Industry Authority (CALPIA), earning \$0.08 to \$1 per hour. Incarcerated people work as electricians, carpenters, cooks, and many other integral work positions essential to the operations of a state prison – in addition to essential work outside the prisons such as fighting dangerous wildfires. At the same time, incarcerated people must pay for

daily necessities such as hygiene items, extra or more nutritional food, clothing, and medical devices (with costs being marked up as high as 65 percent at canteen compared to prices at regular stores on the outside). Meager wages make it difficult to pay child support, contribute to victim support funds, or pay any other court-related debt both during and after incarceration.

- **Poverty is a main driver of incarceration, and allowing incarcerated workers to make a living wage is a way to break that vicious intergenerational cycle.** Raising wages for incarcerated people would also significantly lessen the burden on Californian families and our safety net resources. A recent report by the Ella Baker Center for Human Rights found that nearly 65 percent of families become unable to pay for their basic needs when a household member goes to prison – not surprising when many imprisoned people have to ask family for money to pay for their basic needs.² Furthermore, those who are able to build savings during incarceration and meet their basic needs upon release are less likely to recidivate. This has been proven in the Joint Venture Program model, which has a higher pay schedule than CDCR and whose participants have only a 9 percent recidivism rate compared to the 55 percent average in California overall. When a formerly incarcerated person can meet their basic needs upon release, they are less likely to rely on government services like welfare, become unhoused, or return to prison, thereby saving the state and taxpayers money in the long term.

CALIFORNIA HAS BEEN LEADING ON ENDING SUBMINIMUM WAGES

California has been leading on the phasing out of other subminimum wages for decades – it can now lead on ending the last subminimum wage for incarcerated workers.

Tipped Workers – Since the inception of a minimum wage in California, there has been no exception for tipped workers, which exists in 43 states.

Workers with Disabilities – Thanks to the tireless advocacy of the disability justice community, California passed SB 639 (Durazo) to phase out the subminimum wage for workers with disabilities, currently affecting over 12,000 Californians.³ They will move from earning \$2 per hour to \$15 per hour and can become financially independent. The bill also creates a path that transitions workers with disabilities from segregated settings to integrated settings and allows workers with disabilities to earn a real wage and work alongside their colleagues.⁴

Gig Workers – California gig worker organizations led the country in thinking about the subminimum wage structure for gig workers, particularly drivers. This led to the passing of AB5, which put in place standards around contractual work vs employee-employer relationships.⁵

Beyond these calculations, however, California has prided itself as a national leader on working people's issues; the Governor convened a 'Future of Work' Commission specifically to examine how California could lead on low-wage workers issues.

KEY PROVISIONS OF ASSEMBLY BILL 1516 (KALRA)⁶

AB 1516 will serve as the vehicle to educate the public on the need to raise the state minimum wage closer to the cost of living in California and end the last subminimum wage for incarcerated workers – and to ultimately pass these policy concepts as law.

- This bill would require the Labor and Workforce Development Agency to convene a working group to study and evaluate topics related to the minimum wage in California.
- The bill would require the working group to submit to the Legislature, on or before July 1, 2024, a report that outlines recommendations for raising the minimum wage for all workers in California.
- The working group will consist of representatives from the Labor Commissioner's office, the Employment Development Department, organizations representing low-wage or immigrant workers, and organizations advocating for the rights of incarcerated persons to study and evaluate, at a minimum, the following topics related to the minimum wage in California:
 - a] Raising the state minimum wage.
 - b] Utilization rates of the state social safety net by minimum wage workers.
 - c] The role of the California Strategic Enforcement Partnership in state minimum wage enforcement efforts.
 - d] The socio-economic benefits of ending the sub-minimum wage for incarcerated workers.

ENDNOTES

- 1 Department of Labor Services, District of Columbia. Office of Wage Hour Compliance. <https://does.dc.gov/service/office-wage-hour-compliance-0>.
- 2 Saneta deVuono-powell, Chris Schweidler, Alicia Walters, and Azadeh Zohrabi. Who Pays? The True Cost of Incarceration on Families. Oakland, CA: Ella Baker Center, Forward Together, Research Action Design, 2015. <https://ellabakercenter.org/wp-content/uploads/2022/09/Who-Pays-FINAL.pdf>.
- 3 Human Rights Watch. (August 2021). Senate Bill 639 (SB 639) State Minimum Wage Bill. <https://www.hrw.org/news/2021/08/10/senate-bill-639-sb-639-state-minimum-wage-bill>.
- 4 California State Council on Developmental Disabilities. (2023). SB 639: Ending the Subminimum Wage. <https://scdd.ca.gov/sb639-4/>.
- 5 State of California Department of Industrial Relations. Independent contractor versus employee. https://www.dir.ca.gov/dlse/FAQ_IndependentContractor.htm.
- 6 California Legislative Information. (2023). https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB1516.