

Law Offices of

OLSON

HAGEL &

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LLP

January 12, 2005

VIA MESSENGER

Ms. Tricia Knight
Initiative Coordinator
Attorney General's Office
1300 I Street, Suite 125
Sacramento, California 94244-2550

Re: Request for Title and Summary

Dear Ms. Knight:

I hereby request that the Attorney General prepare a title and summary for the enclosed proposed initiative. Enclosed is a check for \$200. My residence address is attached to this letter.

Very truly yours,

OLSON HAGEL & FISHBURN LLP

LANCE H. OLSON

LHO:all
Enclosures

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CALIFORNIA MINIMUM WAGE INITIATIVE

SECTION 1 - Findings and Declarations

The People of California find and declare that:

Because of inflation, Californians who earn the minimum wage can buy less today than at any time in the past 40 years;

At \$6.75 per hour, the current minimum wage punishes hard work. It is so low that minimum wage workers often make less than people on welfare;

Increasing the minimum wage will reward work by making it pay more than welfare;

Because good paying jobs are becoming so hard to find, it is more important than ever that California has a living minimum wage;

The purpose of the Living Wage Act of 2005 is to restore the purchasing power of the minimum wage and to help minimum wage workers lift themselves out of poverty;

To achieve that purpose, the Living Wage Act of 2005 will increase the minimum wage to \$7.25 per hour in 2006, \$7.75 per hour in 2007 and index it for cost of living increases in the future.

SECTION 2 - Minimum Wage Increase and Indexing

Section 1182.12 is added to the Labor Code to read:

(a) Notwithstanding any other provision of this part, on and after January 1, 2006, the minimum wage for all industries shall not be less than seven dollars and twenty-five cents (\$7.25) per hour; on and after January 1, 2007, the minimum wage for all industries shall not be less than seven dollars and seventy-five cents (\$7.75) per hour. The Industrial Welfare Commission shall, at a public meeting, adopt a minimum wage order consistent with this section without convening wage boards, which wage orders shall be final and conclusive for all purposes.

(b) (1) The minimum wage is automatically adjusted on January 1 of each year to maintain employee purchasing power diminished by the rate of inflation that occurred during the previous year.

(2) The automatically adjusted minimum wage is calculated by multiplying the minimum wage in effect on December 31 by the percentage of inflation that occurred during the previous year, and rounding off the product to the nearest five cents (\$0.05). The Industrial Welfare Commission shall publicize the automatically adjusted minimum wage.

(c) For purpose of this calculation, the following terms have the following meanings:

(1) "Percentage of inflation" - means the percentage of inflation specified in the California Consumer Price Index for All Urban Consumers, as published by the Department of Industrial Relations, Division of Labor Statistics and Research, or its successor index.

(2) "Previous Year" - means the 12-month period that ends on August 31 of the calendar year prior to the adjustment period.

(d) This section may not be construed to either preclude an increase of the minimum wage by the Industrial Welfare Commission in an amount that is greater than the rate calculated pursuant to subdivision (b) or result in a reduction in the minimum wage.

(e) The first automatic adjustment to the minimum wage shall occur on January 1, 2008.

SECTION 3 - Name of Act

This statute shall be known as the Living Wage Act of 2005.

SECTION 4 - Severability

It is the intent of the People that the provisions of this Act are severable and that if any provision of this Act, or the application thereof to any person or circumstances, is held invalid such invalidity shall not affect any other provision or application of this Act which can be given effect without invalid provision or application.