



November 4, 2022

TO: Business, Payroll and Personnel Administrators
Los Angeles County School and Community College Districts
Charter Schools and Other Local Educational Agencies

FROM: Raymond Bribiesca, School Financial Systems and Services Manager
District Personnel Information Services
Division of School Financial Services

SUBJECT: 2023 California Minimum Wage Increase

This bulletin provides updated information related to the California Minimum Wage. In April of 2016, the Governor of the State of California signed into law Senate Bill 3 (SB 3), which would eventually raise the statewide minimum wage for all employers to \$15.00 per hour by January 2023. However, a provision within the law, Labor Code 1182.12 (c), requires the California Department of Finance to annually calculate, beginning in August 2022, potential wage increases for the following year. The Director of Finance has determined the minimum wage shall be increased 3.5%, due to inflation, for all employers. Therefore, the statewide minimum wage will increase to \$15.50 per hour for all employers beginning January 1, 2023.

The California Department of Industrial Relations is responsible for publishing the “Official Notice: California Minimum Wage (MW-2023)”, typically posted by employers in the workplace. This notice can be found at https://www.dir.ca.gov/dlse/faq_minimumwage.htm.

Most employers in California are subject to federal, state, county or even city-specific minimum wage laws. The minimum wage is based on where work is performed, not where an employer is headquartered. When there are conflicting requirements in the laws, the employer must follow the stricter standard; that is, the one that is most beneficial to the employee. Additionally, the Department of Industrial Relations makes no distinction between adults and minors when it comes to payment of the minimum wage; therefore, the minimum wage is the same for both adult and minor employees.

Unincorporated areas within Los Angeles County established a different minimum wage scale beginning July of 2022. At the time of this bulletin's publication, the County of Los Angeles exempted public employers from the minimum wage requirements. For more information, consult the County of Los Angeles website at <http://dcba.lacounty.gov/>.

Additionally, several other cities have been establishing their own minimum wage scales that are different from the state. It is important for Local Educational Agencies (LEAs) to stay informed about any new local minimum wage changes that apply to their boundaries and whether or not the change is applicable to the LEA.

If you have questions, please contact me at bribiesca_raymond@lacoed.edu.

Approved:
Nkeiruka Benson, Director
Division of School Financial Services

RB:sm
Attachment

SFS-A18-2022-2023

July 27, 2022

Honorable Gavin Newsom
Governor

Honorable Toni G. Atkins
Senate President pro Tempore

Honorable Scott Wilk
Senate Republican Leader

Honorable Nancy Skinner, Chair
Senate Budget and Fiscal Review
Committee

Honorable Anthony J. Portantino, Chair
Senate Appropriations Committee

Honorable Anthony Rendon
Speaker of the Assembly

Honorable James Gallagher
Assembly Republican Leader

Honorable Phil Ting, Chair
Assembly Budget Committee

Honorable Chris R. Holden, Chair
Assembly Appropriations Committee

Minimum Wage Increase, Director of Finance Determination and Certification

Labor Code section 1182.12 requires the Director of Finance to annually make a determination and certify to the Governor and the Legislature whether an adjustment for inflation is applied to minimum wage after the minimum wage reaches fifteen dollars (\$15) per hour. Pursuant to this section, the minimum wage of \$15 per hour was implemented on January 1, 2022 for employers who employ 26 or more employees and scheduled for January 1, 2023 for employers who employ 25 or fewer employees.

Following the implementation of the minimum wage to \$15 per hour, Labor Code section 1182.12(c) requires that on or before August 1 of each year, the Director of Finance determines if the minimum wage shall be adjusted for inflation and calculates the increase in minimum wage by the lesser of 3.5 percent or the rate of change, as specified, for the United States Bureau of Labor Statistics non-seasonally adjusted United States Consumer Price Index for Urban Wage Earners and Clerical Workers (U.S. CPI-W).

The Department of Finance calculates the U.S. CPI-W for the 12-month period from July 1, 2021 to June 30, 2022 increased by 7.9 percent compared to the 12-month period from July 1, 2020 to June 30, 2021. Labor Code section 1182.12(c)(3)(B) requires that when the rate of increase in inflation exceeds 7 percent in the first year in which the minimum wage for employers with 26 or more employees is \$15 per hour, the minimum wage for employers with 25 or fewer employees must be set to the same amount as for employers with 26 or more employees, effective the following January 1. As a result, pursuant to subdivision (c), Finance has determined that minimum wage

shall increase by 3.5 percent to \$15.50 per hour and shall be implemented for all employers on January 1, 2023.

Based on the calculations described above, I hereby certify that the minimum wage shall increase by 3.5 percent and the rate shall be \$15.50 per hour for all employers effective January 1, 2023.

Please call Susan Wekanda, Principal Program Budget Analyst, at (916) 445-5332, if you have any questions.

 for

KEELY MARTIN BOSLER
Director

cc: Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Gabriel Petek, Legislative Analyst (3)
Elisa Wynne, Staff Director, Senate Budget and Fiscal Review Committee
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office
Christopher W. Woods, Senate President pro Tempore's Office (2)
Christian Griffith, Chief Consultant, Assembly Budget Committee
Joseph Shinstock, Budget Director, Assembly Republican Caucus,
Office of Policy and Budget
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Katja Townsend, Capitol Director, Assembly Republican Leader's Office
Jason Sisney, Assembly Speaker's Office (2)
Mark McKenzie, Staff Director, Senate Appropriations Committee
Jay Dickenson, Chief Consultant, Assembly Appropriations Committee

Attachment to:
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