

# **COUNTY OF LOS ANGELES** DEPARTMENT OF ECONOMIC OPPORTUNITY of ecor

## WORKFORCE DEVELOPMENT PROGRAMS DIRECTIVE

DATE: August, 02 2022

NUMBER: WDP D22-08

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# SUBSIDIZED EMPLOYMENT MINIMUM WAGE

#### **EXECUTIVE SUMMARY**

This directive provides guidance to service providers administering Department of Economic Opportunity (DEO) Workforce Development programs on the County's policy of minimum wage for all subsidized employment within the greater County of Los Angeles. The directive has been updated to note the new minimum wage rate approved by the LA County Board of Supervisors and DEOs new minimum wage rate for subsidized employment.

### This directive supersedes WDP D16-01 Subsidized Employment Minimum Wage.

### REFERENCES

• County of Los Angeles Minimum Wage Ordinance (LA County Code Ch. 8.100)

#### BACKGROUND

On July 21, 2015, the LA County Board of Supervisors approved the County of Los Angeles Minimum Wage Ordinance (Ordinance) requiring employers to pay their employees who perform at least (2) hours of work per week within the unincorporated areas of the County the effective minimum wage rate. The Board of Supervisors found it necessary to pass this ordinance to combat the issue of income inequality faced within the County. The cost of living in the County rises each year while wages for low-income County residents fail to follow, often leading to low-income workers becoming reliant on the County as a provider of social services which comes with a cost to the community and taxpayers. By passing this Ordinance the County ensured workers receive reasonable wages for their work thus promoting an employment environment that protects government resources and promotes the health, safety, and welfare of workers.

The ordinance scheduled automatic minimum wage increases from July 1, 2016 to July 1, 2021, as noted on Attachment I- County of Los Angeles Minimum Wage Ordinance Announcement (English) and Attachment II- County of Los Angeles Minimum Wage Ordinance Announcement (Spanish), until minimum wage reached \$15.00 per hour for all employees regardless of the size of employer in all unincorporated areas. Beginning July 1, 2022, the ordinance requires minimum wage to be adjusted annually based on changes to the Consumer Price Index to help workers keep up with cost-of-living changes. Effective July 1, 2022 - June 30, 2023 the LA County Board of Supervisors increased the County of Los Angeles Minimum Wage to \$15.96 per hour within all unincorporated areas of Los Angeles County.

<u>See Attachment III- Minimum Wage Legal Notice 2022 (English)</u> and <u>Attachment IV-</u> <u>Minimum Wage Legal Notice 2022 (Spanish)</u> for posting reflecting the updated minimum wage rates.

# POLICIES AND PROCEDURES

DEO is requiring that all Service Providers ensure that <u>beginning July 1, 2022</u>, participants enrolled in any subsidized employment service through any workforce development program funded by County of Los Angeles DEO shall be paid at minimum <u>\$16.04</u> per hour if employed in the greater County of Los Angeles. This standard Subsidized Employment Minimum Wage Rate <u>applies across all cities and</u> <u>unincorporated areas in the County of Los Angeles</u> and is effective immediately until further notice.

This policy expands on the Ordinance by increasing the minimum wage adopted by the county and applying this requirement to all cities, unincorporated areas, and all employers in the County regardless of employee size to ensure equity and consistency of minimum wage payments for participants enrolled in subsidized employment amongst all workforce programs funded by County of Los Angeles DEO. Subsidized employment subject to the minimum wage rate requirements of this directive includes, but is not limited to, On-the-Job Training, Paid Work Experience, Paid Internship, and Transitional Jobs. The minimum wage rate requirement may change on a yearly basis as determined by the Board of Supervisors based on changes to the Consumer Price Index and/or as determined by DEO. This directive will be revised as updates occur to note new changes to the minimum wage and update DEO's minimum wage for subsidized programs.

## ACTION

Service Providers must ensure that the policies and procedures described herein are communicated throughout the operations, management, and governance structure of the contractor organization and that this Directive is appropriately maintained until further notice.

#### INQUIRIES

Inquiries regarding this directive described herein should be directed to ajccops@opportunity.lacounty.gov.

Arene Pelayo

Irene Pelayo, Program Manager Workforce Development

Attachments:

- <u>Attachment I- County of Los Angeles Minimum Wage Ordinance Announcement</u> (English)
- <u>Attachment II- County of Los Angeles Minimum Wage Ordinance Announcement</u>
  <u>(Spanish)</u>
- See Attachment III- Minimum Wage Legal Notice 2022 (English)
- Attachment IV- Minimum Wage Legal Notice 2022 (Spanish)