TULARE COUNTY WORKFORCE INVESTMENT BOARD, INC.

Workforce Investment Act Title I-B Programs and

Welfare-to-Work Programs

DATE:

December 26, 2006

SUBJECT:

Minimum Wage

WIB DIRECTIVE

TCWIBD-06-6

TO:

Service Providers

WID Staff

SUBJECT:

Minimum Wage

EXECUTIVE SUMMARY

Purpose:

This directive transmits State and local policy and procedures regarding minimum wage.

Scope:

This directive requires that all Service Providers and Tulare County Workforce Investment (TCWID) staff expending Workforce Investment Act (WIA) and/or Welfare-to-Work (WtW) funds shall comply with these policies and procedures.

Effective Date:

This directive is effective January 1, 2007.

REFERENCES:

- Assembly Bill 1835
- California Labor Code, Sections 1182.12 and 1182.13
- Workforce Investment Act, Subtitle E, Section 181
- Title 20 Code of Federal Regulations Part 652 et al. Workforce Investment Act; Final Rules, Section 667.272

TULARE COUNTY WORKFORCE INVESTMENT BOARD, INC. (TCWIB) – IMPOSED REQUIREMENTS:

This directive contains TCWIB-imposed requirements. These requirements are in **bold**, **italic** type.

FILING INSTRUCTIONS:

Retain this directive until further notice.

BACKGROUND:

On September 12th, 2006, the California Legislature enacted legislation (AB 1835) signed by the Governor of California, which will raise the California minimum wage from \$6.75 to \$7.50 an hour on January 1, 2007 and to \$8 on January 1, 2008. AB 1835 adds Sections 1182.12 and 1182.13 to the California Labor Code, relating to employment.

POLICY AND PROCEDURES:

All participants enrolled in wage-paid activities will be paid wages which shall not be less than the highest of: (A) the minimum wage under the Fair Labor Standards Act; (B) the minimum wage under applicable State or local minimum wage laws; or (C) the prevailing rates of pay for individuals employed in similar occupations by the same employer. All participants on paid work experience shall receive the current minimum wage rate. It is expected that participants on paid internships will be hired by the employer providing the training therefore these participants shall be paid the prevailing wage for individuals employed in similar occupations by that employer. The Service Provider shall ensure that participants receiving on-the-job training (OJT) will be paid, by the employer, at the prevailing wage for individuals employed in similar occupations by that employer. OJT employer reimbursement for extraordinary costs and training may be up to 50% of the participant's wage rate for the training period.

Participants enrolled in wage-paid activities on or after January 1, 2007 must be paid in accordance with the amended minimum wage order. If necessary, work contracts shall be amended to comply with the law. Youth on work experience or internship contracts, whose wages are affected by the minimum wage increase, may have worksite contracts amended by:

- 1. Line through information requiring change, i.e., wage rate, total hours, dates of contract, etc.;
- 2. Write in new information, i.e., wage rate, total hours, dates of contract total wages to be paid, etc.;
- 3. Write reason for contract amendment on the contract, i.e., minimum wage increase;
- 4. Date and sign all changes;
- 5. Ensure that contract changes are discussed with youth participant and employer/trainer and provide both with a copy of the amended worksite contract;
- 6. Ensure the amended contract is contained in the master participant file;
- 7. Case-note the contract amendment and reason for amendment.

Service Providers and the TCWID shall comply with the following: "Every employer that is subject to the amended republished wage order shall post a copy of the order and keep it posted in a conspicuous location frequented by employees during the hours of the workday". A copy of the wage order is attached to this directive and may also be accessed at the California Department of Industrial Relations web page.

Additional information regarding wages, hours of work, conditions of employment, Child Labor Laws, etc. may be accessed at the California Department of Industrial Relations http://www.dir.ca.gov/.

ACTION:

Bring this directive to the attention of all affected staff.

INQUIRIES:

Please direct inquiries about this directive to the Workforce Investment Department Administration at (559) 513-5200.

JΦSEPH H. DANIEL

Administrator

Attachment: Official Notice, California Minimum Wage

JD:EC:SD

H:\WID-WIB Directives, Info Bulletins, Guidance Letters\Directives\Minumum Wage Directive - draft.doc

OFFICIAL NOTICE



California Minimum Wage

MW-2007

Minimum Wage - Every employer shall pay to each employee wages not less than the following:

\$7.50

\$8.00

per hour beginning January 1, 2007

per hour beginning January 1, 2008

To employers and representatives of persons working in industries and occupations in the State of California:

SUMMARY OF ACTIONS

TAKE NOTICE that on September 12, 2006, the California Legislature enacted legislation signed by the Governor of California, raising the minimum wage for all industries. (AB 1835, Ch. 230, Stats of 2006, adding sections 1182.12 and 1182.13 to the California Labor Code.) Pursuant to its authority under Labor Code section 1182.13, the Department of Industrial Relations amends and republishes Sections 1, 2, 3, and 5 of the General Minimum Wage Order. MW-2001, Section 4, Separability, has not been changed. Consistent with this enactment, amendments are made to the minimum wage, and the meals and lodging credits sections of all of the IWC's industry and occupation orders.

This summary must be made available to employees in accordance with the IWC's wage orders. Copies of the full text of the amended wage orders may be obtained by ordering on-line at www.dir.ca.gov/WP.asp, or by contacting your local Division of Labor Standards Enforcement office.

1. APPLICABILITY

The provisions of this Order shall not apply to outside salespersons and individuals who are the parent, spouse, or children of the employer previously contained in this Order and the IWC's industry and occupation orders. Exceptions and modifications provided by statute or in Section 1, Applicability, and in other sections of the IWC's industry and occupation orders may be used where any such provisions are enforceable and applicable to the employer.

2. MINIMUM WAGES

Every employer shall pay to each employee wages not less than seven dollars and fifty cents (\$7.50) per hour for all hours worked, effective January 1, 2007, and not less than eight dollars (\$8.00) per hour for all hours worked, effective January 1, 2008.

3. MEALS AND LODGING

Meals or lodging may not be credited against the minimum wage without a voluntary written agreement between the employer and the employee. When credit for meals or lodging is used to meet part of the employer's minimum wage obligation, the amounts so credited may not be more than the following:

	Effective January 1, 2007	Effective January 1, 2008
LODGING Room occupied alone	\$35.27 per week	\$37.63 per week
Room shared		\$31.06 per week \$451.89 per month
rental value, and in no event more than:	\$626.49 per month	\$668.46 per month
MEALS Breakfast	\$2.72	\$2.90
Lunch	\$3.72	\$3.97
Dinner	\$5.00	\$5.34

4. SEPARABILITY

If the application of any provision of this Order, or any section, subsection, subdivision, sentence, clause, phrase, word or portion of this Order should be held invalid, unconstitutional, unauthorized, or prohibited by statute, the remaining provisions thereof shall not be affected thereby, but shall continue to be given full force and effect as if the part so held invalid or unconstitutional had not been included herein.

5. AMENDED PROVISIONS

This Order amends the minimum wage and meals and lodging credits in MW-2001, as well as in the IWC's industry and occupation orders. (See Orders 1-15, Secs. 4 and 10; and Order 16, Secs. 4 and 9.) This Order makes no other changes to the IWC's industry and occupation orders.

These Amendments to the Wage Orders shall be in effect as of January 1, 2007.

Questions about enforcement should be directed to the Division of Labor Standards Enforcement. Consult the white pages of your telephone directory under CALIFORNIA, State of, Industrial Relations for the address and telephone number of the office nearest you. The Division has offices in the following cities: Bakersfield, El Centro, Eureka, Fresno, Long Beach, Los Angeles, Oakland, Redding, Sacramento, Salinas, San Bernardino, San Diego, San Francisco, San Jose, Santa Ana, Santa Barbara, Santa Rosa, Stockton, and Van Nuys.

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WID ADMINISTRATION & PROGRAM STAFF DISTRIBUTION RECORD Check-off Sheet

ITEM(S): TCWTBD-06-6 Minimum Wage Directive

ADMINISTRATION	1	JOB RESOURCE CENTERS	1	BUSINESS RESOURCE CENTERS	1
Joe Daniel (If requested only)	V	VISALIA			
Kathy Johnson	V	Edie LaVonne	V	Bill Diltz	L
Bill Cooper	V	Veronica Arroyo		Sandi Miller	L
Natalie Hanes	1				
Eldonna Caudill	2				
Vyvian Timm	V				
Leonor Alcazar	1				
Janet Ewing	V	PORTERVILLE			
Rikki Leigh	V	Sharon Pearson		Luis Huerta	L
		TULARE			
				Irene Santos	1

Document Routing Form

Document: Minimum Wage Directive

Please review the attached document, make any comments/suggests you deem appropriate, and route to the next person on the list. Please keep the documents moving so they don't get lost.

Staff Name	Initials	Date	Comments	
Rose Leija	Y	1/3/04		
Leonor Alcazar	Ja	12/8/2	Har constru	
Natalie Hanes	H	Julole		
Bill Cooper	R	12/28/00		
Return to Eldonna for corrections prior to routing to Kathy and/or Joe.				
Kathy Johnson	K	1/3/07		

TULARE COUNTY WORKFORCE INVESTMENT BOARD, INC.

Workforce Investment Act Title I-B Programs and

Welfare-to-Work Programs

DATE:

December 26, 2006

SUBJECT:

Minimum Wage

WIB DIRECTIVE

WIBD-xx-x

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JOSEPH H. DANIEL

Administrator

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JD:EC:xxxxxx

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•	Effective January 1, 2007	Effective January 1, 2008
LODGING		•
Room occupied alone		\$37.63 per week
Room shared	\$29.11 per week	\$31.06 per week
Apartment – two-thirds (2/3) of the ordinary rental value, and in no event more than: Where a couple are both employed by the employer, two-thirds (2/3) of the ordinary		\$451.89 per month
rental value, and in no event more than:	\$626.49 per month	\$668.46 per month
MEALS	40.70	e n no
Breakfast	\$2.72	\$2.90
Lunch		\$3.97
Dinner	\$5.00	\$5.34

4. SEPARABILITY

If the application of any provision of this Order, or any section, subsection, subdivision, sentence, clause, phrase, word or portion of this Order should be held invalid, unconstitutional, unauthorized, or prohibited by statute, the remaining provisions thereof shall not be affected thereby, but shall continue to be given full force and effect as if the part so held invalid or unconstitutional had not been included herein.

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