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States and Cities Take Initiative in 2014 to Enact Minimum Wage Hikes

MINIMUM WAGE

Lack of action by federal lawmakers on increasing the minimum wage is causing state legislatures and even some city councils to tackle the issues. Ballot initiatives are being used to effect change in states and cities where elected officials have not embraced the issue. This roundup describes how various jurisdictions addressed the issue in the last year.

While the federal minimum wage of \$7.25 per hour has not increased since 2009, states were active in 2014 in setting new wage floor requirements.

Connecticut, Delaware, Hawaii, Maryland, Massachusetts, Michigan, Minnesota, Rhode Island, Vermont, West Virginia and the District of Columbia enacted minimum wage increases during their 2014 legislative sessions. Voters in Alaska, Arkansas, Nebraska and South Dakota approved minimum wage increase ballot initiatives.

Furthermore, several states will increase the mandatory wage floors because their minimum wages are tied to inflation or a consumer price index. Many states that raised their minimum wage requirements already required a wage floor higher than the federal rate. The increases have widely varied from state to state.

While there is disagreement on whether mandatory minimum wages should go up, stay the same or not exist at all, there is general consensus that minimum wage increases in the near future will likely happen at the state and local levels.

Cities, States ‘Step Into the Void’

According to Professor Ann C. Hodges of the University of Richmond School of Law, “It seems to me that the trend certainly right now is at the state and local level. There is a lot of resistance at the federal level. Given that Republicans in the Senate and House have a majority now, I would be surprised to see anything coming out of the federal government soon.” However, Hodges added, “I think it is surprising that we are seeing states that are traditionally more Republican or more conservative supporting minimum wage increases.”

Similarly, Jennifer Harpole, an associate in Littler Mendelson’s Denver office, said, “Right now I think it

is certainly at the state and local level that we are seeing the greatest chance for increases in the minimum wage, especially since the recent election and the current gridlock that will continue in Congress.”

Providing a somewhat different view, Tsedeye Gebreselassie, a staff attorney for the National Employment Law Project, said, “Movement in the minimum wage will come from all levels of government.” However, she said, “We see states and cities step into the void and raise the minimum wage.”

Holly Sklar, chief executive officer of Business for a Fair Minimum Wage, which advocates for raising the minimum wage, pointed out that “state legislators have their own politics. The states also have become more partisan. But there will be more attempts to pass minimum wage legislation.”

Some Tie Increases to Economic Conditions

The minimum wage will increase in 2015 in nine states due to required indexed increases. These states are Arizona, Colorado, Florida, Missouri, Montana, New Jersey, Ohio, Oregon and Washington. The states use varying indexing formulas to determine minimum wage increases.

Along with determined higher minimum wage floors, several states that passed new minimum wage requirements also adopted mandatory indexed wage increases after the adopted schedule of wage increases expires. Examples are:

- Minnesota passed a law that requires the state’s commissioner of labor and industry, beginning in 2017, to determine a percentage increase in the rate of inflation as measured by the implicit price deflator and national data for personal consumption expenditures issued by the U.S. Department of Commerce’s Bureau of Economic Analysis for the preceding 12 months. The minimum wage rate will be increased by the lesser of

the percentage calculated by the commissioner or 2.5 percent, rounded to the nearest cent. The state minimum wage rate cannot be reduced under the law.

- The District of Columbia recently passed a minimum wage law that requires the minimum wage to increase each July 1 in proportion to the increase in the federal Consumer Price Index for All Urban Consumers (CPI-U) for the Washington metropolitan area, beginning in 2017.

- Vermont passed a law that increases the state minimum wage 5 percent or by the change in the CPI-U, whichever amount is smaller, without allowing the wage to be decreased (92 DLR A-3, 5/13/14).

Maryland previously required employers to pay at least the federally mandated minimum wage. In 2014, it passed a minimum wage increase schedule that gradually requires employers to pay \$10.10 by July 1, 2018 (86 DLR A-11, 5/5/14).

Gebreselassie and other advocates for indexed or automatic minimum wage increases claim that tying the minimum wage to inflation, a consumer price index or both would create more predictability in future minimum wage increases.

“I think it is easier to stomach for employers when they understand that it is tracked to the cost of everything else in life,” Harpole said.

Localities Set Minimums, Too

Local governments also have passed minimum wage increases that have a range of coverage. Both Seattle and Florida’s Miami-Dade County passed new schedules of minimum wage increases for all employees working in their jurisdiction. The mayor of Seattle said he hopes that city’s law will be a model for the rest of the country (106 DLR A-3, 6/3/14). Chicago passed an ordinance raising the minimum wage in the city to \$13 per hour over five years with mandatory indexed increases after July 1, 2017 (231 DLR A-9, 12/2/14). Los Angeles enacted a minimum wage increase of \$15.37 per hour specifically for employees of large hotels, which has prompted a lawsuit by an industry group (242 DLR A-6, 12/17/14).

Considering trends in minimum wage increases, Harpole said, “It is definitely a trend that is on the rise for cities or even counties to increase the minimum wage.” Cities with a very high cost of living, such as San Francisco, and that are “employee friendly” are more likely to pass local minimum wage increases, she said.

She also noted that small jurisdictions in liberal areas with high costs of living, such as Prince George’s County, Md., a suburb of Washington, also tend to be more likely to pass local wage floors. The Prince George’s County Council increased the minimum wage within the county to \$8.40 per hour effective Oct. 1, 2014, with scheduled increases to \$11.50 per hour by Oct. 1, 2017 (233 DLR A-11, 12/3/13).

In response to Oklahoma City trying to enact a local minimum wage, Gov. Mary Fallin (R) signed into law a prohibition against cities establishing mandatory minimum wage, vacation or sick-day requirements (74 DLR A-8, 4/17/14). Fallin said passing local minimum wage laws would create “a hodgepodge of minimum wages in different parts of the state.” Also, the governor and sponsors of the proposed law argued that raising the

minimum wage would cause employers to cut jobs. Advocates of local minimum wage laws contend decisions about the wages should be left up to individual communities.

Also, Louisville, Ky., passed a local minimum wage, but there is uncertainty as to whether the city has the authority to enforce a minimum wage higher than that required by the state (244 DLR A-10, 12/19/14).

Seattle Takes Tiered Approach

Seattle passed a tiered minimum wage, differentiating employers by how many people they employ and whether they provide medical benefits. Employers with more than 500 employees in the U.S. that do not provide medical benefits must pay employees \$11 per hour by April 1, 2015, with scheduled increases to \$15 per hour by 2017. Employers with more than 500 employees in the U.S. that provide medical benefits must also pay employees \$11 per hour by April 1, 2015, but the \$15 per hour increase doesn’t take effect for them until Jan. 1, 2018.

Seattle employers with 500 or fewer employees in the U.S. must pay workers at least \$10 per hour by April 1, 2015, with scheduled increases to \$17.25 per hour by Jan. 1, 2024. Wages are indexed after the schedule runs out.

Discussing tiered minimum wage laws based on an employer’s size, Sklar said Business for a Fair Minimum Wage supports “raising the rates without the carve outs.” She said the U.S. Small Business Administration’s definition of a small business can include companies with 1,000 employees but typically it qualifies employers with about 500 or fewer workers as small businesses. “When you do a carve out like they did in Seattle, you exclude a ton of workers depending on what is counted as a small business,” she said. “For those that are opposed to raising it, it can be used as a fallback position.”

States have taken different paths to ensuring compliance with minimum wage increases.

Hodges, the law professor, said, “I do think enforcement is an issue, and of course we will have to wait and see how enforcement is done” in jurisdictions where the minimum wage was just increased.

“I think we will still see violations because there are vulnerable employees who are not going to either go to a government agency or a lawyer despite the fact they are not being paid a minimum wage,” Hodges said. Noting the pressure on governments to reduce spending, she said she doubts there would be adequate government resources put into enforcing new minimum wage increases.

Scofflaws Hurt Other Employers

Hodges also noted enforcement tends to work better when governments work with business to enforce the law. “I think there is a business reason to enforce the minimum wage because to the extent that some employers follow the law, those employers that do not are able to undercut them as far as pricing,” she said. “So those employers that comply with the law are hurt by employers that don’t comply with the law.”

To ease complying with a new minimum wage, Gina Schaefer, an Ace Hardware franchise owner in Washington and Baltimore, advises employers to start their

own tiered-wage plan. Her business starts employees at \$10 per hour minimum, knowing wages will have to be at \$11.50 per hour by 2016.

She noted that while the gap between the two levels of wages may seem insignificant to some, with about 200 employees, the amount paid in wages is substantial. Therefore, Schaefer established a detailed plan for gradually raising her employees' wages over the next year and half to pay the new minimum wage prior to the deadline, allowing her business to better absorb the financial ramifications. "Basically, we were not afraid to look at it head on," she said.

While Colorado did not pass a minimum wage increase (it has inflation-mandated adjustments), it recently enacted a new enforcement mechanism. Effective Jan. 1, the Wage Protection Act of 2014 establishes procedures for the state's Division of Labor to adjudicate compensation complaints of \$7,500 or less, increases fines imposed on employers and allows employees to be awarded attorneys' fees. Employees still have the option of filing a complaint directly with a court.

Jurisdictional Challenges Await

The promulgation of various minimum wage laws at the state and local levels requires an employer with workers in various locations to keep track of different minimum wage requirements. The minimum wage rate an employer must pay is based on where the employee performed his or her job, not the location of the employer's primary office or incorporation.

Besides setting a wage floor, minimum wage provisions typically include other requirements, such as record keeping, wage deductions and notice to employees. For employers with employees working in multiple locations, the increasing inconsistency in minimum wage rules not only from state to state, but also within states, can create new challenges of complying with wage and hour laws.

The hodgepodge of laws "can be a little bit of a headache in getting that all straightened out," said Toby Malara, an attorney for the American Staffing Association, a trade association. Discussing the patchwork of minimum wage requirements, Malara pointed out that "it can certainly put stress on an employer. On the one hand, if you have a relatively stable work base, meaning they work in one place, you can adjust fairly easily."

NELP's Gebreselassie stated, "I don't think that is a problem. We have a patchwork of many laws affecting businesses throughout the country."

California provides an example of a patchwork of minimum wage requirements. The state's minimum wage is \$9 per hour (\$10 per hour, effective Jan. 1), but San Francisco's hourly minimum wage will be \$12.25 starting in May with gradual increases to \$15 by 2018 under Proposition J, which voters approved Nov. 4 (214 DLR C-2, 11/5/14). Los Angeles Mayor Eric Garcetti (D) has proposed the city's first citywide minimum wage, which would reach \$13.25 per hour in 2017 with automatic indexed increases.

Malara said that the ASA has historically stayed neutral on the issue of minimum wage increases because most workers employed by the ASA's members make more than the minimum wage.

Patchwork Expected to Continue

Regarding continued trends in the minimum wage, Malara said, "We will continue to see a patchwork not only across the country but also a patchwork approach across the states." However, Malara pointed out that as more cities raise their minimum wage states will be pressured to increase the statewide minimum wage. Similarly, Sklar said, "The more you do something at the state level, the harder it is to not do something at the federal level."

Malara also pointed out a few complexities employers might face regarding compliance as minimum wage laws become more varied among and within states. He cited construction workers as an example of a type of employee that could present compliance difficulties for employers. Someone in the course of a month could work in one state but in three local jurisdictions with different minimum wage requirements, for instance.

"That is going to be a problem as far as record keeping and making sure you are on top of that and making sure you avoid any penalties," Malara said. He pointed out that even if workers make more than minimum wage, a minimum wage law could have other requirements, such as record keeping. However, Malara noted that members of the ASA have been able to keep up to date and compliant with varying minimum wage requirements.

In order to comply with new minimum wages laws, Malara said the ASA stresses "to all of our members to not only pay attention and to avail themselves to the resources we make available to them but to develop relationships within their own state with state government officials, with the local chamber of commerce, with the local HR association that may be there to have that network to ask questions."

The effect of raising the minimum wage on employers and employees is disputed, typically along political party lines. Frank Knapp Jr., chief executive officer of the South Carolina Small Business Chamber of Commerce, supports raising the minimum wage, contending that increasing the wage floor will increase consumer spending. Stephen Schatz Sr., senior director of media relations for the National Retail Federation, said the NRF's position is that "pay and wages should be decided by individual businesses rather than mandated by the federal government."

Ballot Initiatives Sidestep Politics

Another method for changing minimum wage laws is a voter ballot initiative or referendum. Referendum measures often are used when a bill to raise the minimum wage cannot be enacted through the legislative process. For example, after New Jersey Gov. Chris Christie (R) vetoed a bill to increase the minimum wage in 2013, voters approved a constitutional amendment to raise the minimum wage to \$8.25 per hour and add automatic cost-of-living increases each year (216 DLR A-8, 11/6/13).

Minimum wage increases were on statewide ballots in Alaska, Arkansas, Nebraska and South Dakota in 2014 (214 DLR C-1, 11/5/14). Voters in all four states approved minimum wage increases. The ballots make the following changes:

- Alaska: Ballot Measure 3 increases the minimum wage to \$8.75 effective Jan. 1 and to \$9.75 effective Jan.

1, 2016. Thereafter, the minimum wage is automatically indexed or remains \$1 higher than the federal minimum wage, whichever is greater.

- Arkansas: Initiative 5 increases the minimum wage to \$7.50 on Jan. 1, to \$8 on Jan. 1, 2016, and to \$8.50, on Jan. 1, 2017.

- Nebraska: Initiative 425 increases the minimum wage to \$8 effective Jan. 1 and to \$9, effective Jan. 1, 2016.

- South Dakota: Initiative Measure 18 increases the minimum wage to \$8.50 effective Jan. 1, and then the minimum wage is automatically indexed. The initiative raises the minimum wage for tipped employees from \$2.13 to \$4.25.

Also, a nonbinding referendum in Illinois gave voters a chance to express their opinion on the issue but it did not require state lawmakers to actually increase the minimum wage. The referendum was approved by 68 percent. Supporters are hoping a majority “yes” vote will create political momentum to pass minimum wage legislation.

The citywide ballot in San Francisco was successful, and San Diego would put the question to voters in 2016. In July, the San Diego City Council passed an increase in the city’s minimum wage with required adjustments for inflation, and in August it overrode a veto by Mayor Kevin Faulconer (R). However, after opponents of the wage increase had collected enough petition signatures, the council voted to place the wage increase requirement on hold and put the issue on the June 2016 primary election ballot (204 DLR A-10, 10/22/14).

The November elections show “that raising the minimum wage is a broadly popular issue that crosses party lines,” Gebreselassie said. She said not all states have a ballot initiative process, but she expects to see more minimum wage ballot initiatives in those that do. “It has proven to be quite effective,” she said.

President Barack Obama signed an executive order Feb. 12, 2014, that raises the minimum wage for employees of federal contractors to \$10.10 per hour under new and renegotiated federal contracts. The order, effective Jan. 1, also increases the minimum wage for tipped workers. Similarly, governors and mayors may use their power to put conditions on government contractors to push through minimum wage increases without the passage of a new law. Employers who contract with Chicago must pay a minimum of \$13 per hour and those in Philadelphia must pay \$12 per hour (189 DLR A-13, 9/30/14; 87 DLR A-8, 5/6/14).

New York City Mayor Bill de Blasio (D) signed an order requiring commercial tenants at projects that receive more than \$1 million in city subsidies to pay employees an increased minimum wage of \$13.13 per hour with no benefits or \$11.50 per hour with benefits (189 DLR A-14, 9/30/14). Previously, such employers had to pay at least \$11.90 per hour with no benefits.

Wages for Disabled People Under Review

According to the National Council on Disability, approximately 420,000 people in the U.S. with disabilities receive a subminimum wage. The vast majority of these workers are employed by nonprofit and government run “sheltered workshops.” A sheltered workshop is an organization or business that primarily hires people

with disabilities and is authorized to pay subminimum wages.

Recently, there has been a push to eliminate sheltered workshops and the subminimum wage exemption (206 DLR A-5, 10/24/14). Sheltered workshops have been criticized as exploitative and discriminatory. In 2014, the Department of Labor provided grants to California, Illinois, Kansas, Massachusetts, Minnesota and South Dakota as part of the Disability Employment Initiative, which encourages states to move away from funding sheltered workshops and focus more on placing individuals with disabilities in jobs in their community.

Several states and cities have taken steps to move away from using and funding sheltered workshops. “I think there is a much bigger push to have what they call ‘employment first,’ as in community employment for people with disabilities . . . should be the first stop,” said Gus van den Brink, executive director of the Sertoma Centre, a sheltered workshop in Alsip, Ill., that also helps people with disabilities find minimum-wage jobs in the community. Some states are moving to make “employment first” the only option, he said.

In 2014, the New York Office for People with Developmental Disabilities said that it is phasing out sheltered workshops. The office cut funding for any new workshop admissions.

On July 1, the Oregon Office of Developmental Disability Services and the Oregon Office of Vocational Rehabilitation Services started to significantly limit their use and funding of sheltered workshops in response to an executive order from the governor. Oregon’s governor issued an executive order requiring state agencies to progressively provide employment services “based on an individual’s capabilities, choices and strengths and . . . individually tailored to each person.”

On the other hand, some advocate for keeping or expanding subminimum wage exemptions for employers that hire people with disabilities. In 2014, Michigan passed a bill that requires the Department of Licensing and Regulatory Affairs to establish subminimum wage for handicapped employees who are unable to meet normal production standards. In response to recent federal rules, Wisconsin Gov. Scott Walker (R) said the state Department of Health Services will continue to preserve the use of sheltered workshops.

Opponents of sheltered workshops assert that the facilities discriminate against people with disabilities. Laura Owens, executive director of the Association of People Supporting EmploymentFirst, an organization focused on “integrated employment and career advancement opportunities for individuals with disabilities,” seeks the elimination of the subminimum wage for disabled workers. Owens asserts that the subminimum wage is unfairly discriminatory and separates people with disabilities from the general population. “There are a lot of people with disabilities but we keep them segregated,” she said. “It is a civil rights issue for me.”

While groups such as the APSE advocate for the elimination of the subminimum wage, regarding where subminimum wage reform will take place, Owens said, “We work hard to get this agenda moved. . . . I think it is going to have to happen at the state level.”

However, advocates for keeping the sheltered workshop exemption argue sheltered workshops provide a valuable service to people with disabilities. Among

other services, proponents of sheltered workshops stress that many individuals with disabilities will have difficulty finding employment without sheltered workshops. Van den Brink argued that sheltered workshops provide people with disabilities and their families options they would not get in a regular job setting.

“I think that if you do away with the subminimum where you only allow [full minimum wage employment] there would be people with quite severe disabilities that would be excluded from employment completely because the states are not willing to pay for the support they need to have to be in a regular workplace,” van den Brink said. “I think there needs to be a balanced approach and there needs to be choices for people.”

Working Conditions Under Scrutiny

Besides increased advocacy for eliminating sheltered workshops, there has been an uptick in government action against workplaces deemed exploitative of people with disabilities. For example, in 2013, a jury awarded the Equal Employment Opportunity Commission \$240 million in a case alleging workers with intellectual disabilities were abused by a sheltered workshop in Iowa.

In addition, the Department of Justice found that Rhode Island and its capital city, Providence, violated the Americans with Disabilities Act by unnecessarily segregating workers with disabilities in publicly funded jobs programs from the general public. The DOJ entered into a 10-year settlement agreement to resolve these violations. Rhode Island agreed to try to place individuals with disabilities in typical jobs in the community and to redirect “funds currently used to support services in segregated settings to those that incentivize services in integrated settings.”

In a press statement, Acting Assistant Attorney General Jocelyn Samuels for DOJ’s Civil Rights Division of the Department of Justice said, “Rhode Island will be a model for the nation with respect to integrated employment for people with disabilities.”

Van den Brink asserted, “I think there have been some bad apples across the country that we need to weed out rather than throw the whole barrel of apples out.” He also discussed some of the mechanisms used to make sure shelter workshops comply with labor laws. “Every job is time studied. We have to use the prevailing wage, which is surveyed every six months . . . We send in an application every year to get the [subminimum wage] certificate renewed. We also have periodic audits by the Department of Labor and they observe that we operate appropriately,” he said.

People With Disabilities Are Untapped Labor Pool

Owens and van den Brink both advised employers not to overlook individuals with disabilities as potential hires. Owens also pointed out that people with disabilities comprise an untapped pool of labor and, as the economy grows, employers are going to have to hire people with disabilities.

Van den Brink, espousing the benefits of hiring someone with a disability, said, “I think there is a lot of fear out there [among employers] that it might take them more time. It’s going to be a burden. And that’s often not the case.” A person with a disability is “probably going to be an employee that always shows up on time and is a very dedicated employee” because he or she “wants the job very badly and wants to keep the job,” he said.

Owens advises employers to “ask the questions needed to hire a person with a disability” when hiring people with disabilities and work with organizations that help people with disabilities get jobs. She also stressed the importance of finding a good match for employees with disabilities so employees get jobs that better suit their skills and interests, as opposed to merely paying them less because they can’t do a job as well as others.

Similarly, van den Brink said, “We love it when an employer is willing to be flexible to match a person to the job such as when three-fourths of a job can be done by an individual and an employer is willing to do a job carve out.”

Tipped Workers Get Boost, Too

Along with increases to the regular minimum wage, some jurisdictions raised the minimum wage for tipped employees. For example, on Jan. 1, employers in New York must pay an extra 5 cents per hour, according to a tiered subminimum wage. Employers will have to pay \$1.35 an hour for an employee whose weekly average of tips received is between \$1.35 and \$2.20 per hour and \$2.20 per hour for an employee whose weekly average of tips received is \$2.20 per hour or more.

Some groups have advocated for the elimination of subminimum wages for employees who regularly receive tips. However, Hodges, the law professor, surmised, “I think it will probably continue to be a part of the minimum wage. I wouldn’t be surprised to see it stay at half while there are mixed views on tips. Some people make pretty good money on tips. There are workers that continue to support that system.”

Unlike calls to raise the minimum wage, raising the subminimum wage for tipped employees has received less support by employees and organizations that advocate for employers.

Hodges predicts there will not be a strong push to eliminate the subminimum wage because there are enough employees who benefit from the tipping system and they think eliminating the subminimum wage might eliminate the tipping system.

Voters in South Dakota approved a ballot initiative Nov. 4 increasing the tip subminimum wage from \$2.13 to \$4.25.

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STATE AND LOCAL MINIMUM WAGE INCREASES IN 2014

STATE AND LOCAL MINIMUM WAGE INCREASES IN 2014 – Continued

| State or Municipality | Summary | Bill No./ Chapter No. |
|------------------------------|---|---|
| Alaska | A voter-approved ballot initiative requires that, beginning Feb. 24, 2015, employees receive a minimum wage of \$8.75 per hour with a scheduled increase to \$9.75 per hour by Jan. 1, 2016.* | Ballot Measure No. 3 - 13MINW |
| Arizona | Beginning Jan. 1, 2015, because of mandated indexing, the minimum wage will be \$8.05 per hour. | Ariz. Rev. Stat. Ann. § 23-363, as enacted by 2006 Ariz. Prop. 202 |
| Arkansas | A voter-approved ballot initiative requires that, beginning Jan. 1, 2015, employees receive a minimum wage of \$7.50 per hour with a scheduled increase to \$8.50 per hour by Jan. 1, 2017. | Issue No. 5 |
| Chicago | Beginning July 1, 2015, non-tipped, nonexempt employees receive a minimum wage of \$10 per hour with a scheduled increase to \$13 per hour by July 1, 2019.* | Chicago Minimum Wage Ordinance 1-24-010 to 1-24-110 |
| Chicago | Beginning July 1, 2015, tipped employees receive a minimum wage of \$5.45 per hour with a scheduled increase to \$5.95 per hour by July 1, 2016.* | Chicago Minimum Wage Ordinance 1-24-010 to 1-24-110 |
| Colorado | Beginning Jan. 1, 2015, because of mandated indexing, the minimum wage will be \$8.23 per hour. | Colo. Const. art. XVIII, § 15, as enacted by 2006 Colo. Amend. 42; 7 Colo. Code Regs. § 1103-1, effective Jan. 1, 2014 |
| Connecticut | Beginning Jan. 1, 2015, employees receive a minimum wage of \$9.15 per hour with a scheduled increase to \$10.10 per hour by Jan. 1, 2017. | Conn. Gen. Stat. § 31-58, as amended by 2014 Conn. Acts 1, effective July 1, 2014 |
| District of Columbia | Beginning July 1, 2015, employees receive a minimum wage of \$10.50 per hour with a scheduled increase to \$11.50 per hour by July 1, 2016.* | D.C. Code § 32-1003, as amended by 2014 D.C. Law 20-91 |
| Florida | Beginning Jan. 1, 2015, because of mandated indexing, the minimum wage will be \$8.05 per hour. | Fla. Const. art. X, § 24, as enacted by referendum Nov. 2, 2004; Fla. Stat. § 448.110, as amended by 2012 Fla. Laws 2012-30 |
| Hawaii | Beginning Jan. 1, 2015, employees receive a minimum wage of \$7.75 | Haw. Rev. Stat. |

STATE AND LOCAL MINIMUM WAGE INCREASES IN 2014 – Continued

| State or Municipality | Summary | Bill No./ Chapter No. |
|-------------------------------|---|--|
| | per hour with a scheduled increase to \$10.10 per hour by Jan. 1, 2018. | § 387-2, as amended by 2014 Haw. Sess. Laws 82, effective May 23, 2014 |
| Maryland | Beginning Jan. 1, 2015, employees receive a minimum wage of \$8 per hour with a scheduled increase to \$10.10 per hour by July 1, 2018. | Md. Code Ann., Lab. & Empl. § 3-413, as amended by 2014 Md. Laws 262, effective July 1, 2014 |
| Massachusetts | Beginning Jan. 1, 2015, employees receive a minimum wage of \$9 per hour with a scheduled increase to \$11 per hour by Jan. 1, 2017. | Mass. Gen. Laws ch. 151, § 1, as amended by 2014 Mass. Acts 144, effective Jan. 1, 2015 |
| Miami-Dade County, Fl. | Employees of city government contractors with benefits receive a minimum wage of \$12.46 per hour and employees of city government contractors without benefits receive \$14.27 per hour. | Living Wage Ordinance Sec. 2-8.9 |
| Michigan | Beginning Jan. 1, 2016, employees receive a minimum wage of \$8.50 per hour with a scheduled increase to \$9.25 per hour by Jan. 1, 2018. | 2014 Mich. Pub. Acts 138, § 4, effective May 27, 2014 |
| Minnesota | Beginning Aug. 1, 2014, employees receive a minimum wage of \$8 per hour with a scheduled increase to \$9.50 per hour by Aug. 1, 2016. | Minn. Stat. § 177.24, as amended by 2014 Minn. Laws 166, effective Aug. 1, 2014 |
| Missouri | Beginning Jan. 1, 2015, because of mandated indexing, the minimum wage will be \$7.65 per hour. | Mo. Rev. Stat. § 290.502, as amended by 2006 Mo. Prop. B |
| Montana | Beginning Jan. 1, 2015, because of mandated indexing, the minimum wage will be \$8.05 per hour. | Mont. Code Ann. § 39-3-404, as amended by 2009 Mont. Laws 56; and § 39-3-409, as amended by 2006 Mont. Init. 151 |
| Nebraska | A voter-approved ballot initiative requires that, beginning Jan. 1, 2015, employees receive a minimum wage of \$8 per hour with a scheduled | Initiative 425 |

STATE AND LOCAL MINIMUM WAGE INCREASES IN 2014 – Continued

| State or Municipality | Summary | Bill No./ Chapter No. |
|------------------------------|---|---|
| | increase to \$9 per hour by Jan. 1, 2016. | |
| New Jersey | Beginning Jan. 1, 2015, because of mandated indexing, the minimum wage will be \$8.38 per hour. | N.J. Stat. Ann. § 34:11-56a4, as amended by 2005 N.J. Laws 70; N.J. Admin. Code § 12:56-3.1, effective Jan. 1, 2015 |
| New York City | An executive order requires that employees of commercial tenants at projects that receive more than \$1 million in city subsidies must receive \$11.50 per hour with benefits or \$13.13 per hour without benefits. | Exec. Order No. 7, City of New York (Sept. 30, 2014) |
| Ohio | Beginning Jan. 1, 2015, because of mandated indexing, the minimum wage will be \$8.10 per hour. | Ohio Const. art. II, § 34a, as enacted by 2006 Ohio State Issue 2; Ohio Rev. Code Ann. § 4111.02, as amended by 2007 Ohio Laws H.B. 690 |
| Oregon | Beginning Jan. 1, 2015, due to mandated indexing, the minimum wage will be \$9.25 per hour.* | Or. Rev. Stat. § 653.025, as amended by 2003 Or. Laws 2 |
| Rhode Island | Beginning Jan. 1, 2015, employees receive a minimum wage of \$9 per hour. | R.I. Gen. Laws § 28-12-3, as amended by 2014 R.I. Pub. Laws 273, effective July 1, 2014 |
| San Francisco | A voter-approved ballot initiative requires that, beginning May 1, 2015, employees receive a minimum wage of \$12.25 per hour with a scheduled increase to \$15 per hour by July 1, 2018.* | Proposition J on Nov. 4 |
| Seattle | Beginning April 1, 2015, employees of employers with more than 500 employees without medical benefits receive a minimum wage of \$11 per hour with a scheduled increase to \$15.00 per hour by January, 1, 2017.* | Seattle City Ordinance No. 124490 |
| Seattle | Beginning April 1, 2015, employees of employers with 500 or fewer employees receive a minimum wage of \$10 per hour with a scheduled increase to \$17.25 per hour by Jan. 1, 2024.* | Seattle City Ordinance No. 124490 |
| South Dakota | A voter-approved ballot initiative requires that, beginning Jan. 1, 2015, employees receive a minimum wage of \$8.50 per hour.* | Initiative Measure 18 |
| Vermont | Beginning Jan. 1, 2015, employees receive a minimum wage of \$9.15 per hour with a scheduled increase to \$10.50 per hour by Jan. 1, 2018.* | Vt. Stat. Ann. tit. 21, § 384, as amended by 2014 Vt. Acts & |

STATE AND LOCAL MINIMUM WAGE INCREASES IN 2014 – Continued

| State or Municipality | Summary | Bill No./ Chapter No. |
|------------------------------|--|---|
| | | Resolves H.B. 552, effective Jan. 1, 2015 |
| Washington | Beginning Jan. 1, 2015, because of mandated indexing, the minimum wage will be \$9.47 per hour.* | Wash. Rev. Code § 49.46.020, as amended by 1999 Wash. Laws 1 |
| West Virginia | Beginning Jan. 1, 2015, employees receive a minimum wage of \$8 per hour and, beginning Jan. 1, 2016, employees receive \$8.75 per hour. | W. Va. Code § 21-5C-2, as amended by 2014 W. Va. Acts 124, effective June 6, 2014, and 2014 W. Va. 2d Sp. Sess. 5, effective May 21, 2014 |

*Minimum wage indexing after scheduled increases run out. The indexing computation varies by law.