



ASSEMBLY FLOOR ALERT

SB 525 (Durazo) Minimum wage: health care workers

- SB 525 would require implementation to begin next year, raising wages by \$5.50/hour from the current minimum wage of \$15.50/hour, and then increasing by an additional \$4/hour on June 1, 2025, for a total increase of \$9.50 in less than two years.
- SB 525 would also require the salaries of full-time/exempt employees to be no less than 150% of the health care worker minimum wage for full-time employment, effectively creating a new salary base of approximately \$78,000 per year.
- SB 525 also includes an inflator to increase wages every year thereafter by the lesser of 3.5 percent or a specified rate of change in the Consumer Price Index. It is unlikely that existing revenue sources available to counties will grow sufficiently to cover the wage requirements in SB 525.
- **SB 525 sets an hourly wage floor for employees in the health care field that will undoubtedly impact the wages of our employees and contracted services in ALL aspects of county government, making the mandate required by SB 525 cost counties in the hundreds of millions.**
- SB 525 will create wage compression issues and a de facto minimum wage increase across the county workforce. As per MOUs created through existing collective bargaining processes, similarly-classified local government employees as well as more seasoned, tenured, and supervisory staff will also need to have their wages and salaries increased – even for non-health care workers.
- SB 525 is not sustainable for county government and undermines the local collective bargaining process.

Most counties will not be able to absorb the additional wage requirements in SB 525 without curtailing services to California's most vulnerable residents or laying off staff in non-health care sectors. The overall impact will be less services provided by county government to the public – and potentially fewer public sector employees to provide that work.

VOTE NO

For questions, please contact Kalyn Dean, CSAC at kdean@counties.org, Sarah Dukett, RCRC at sdukett@rcrcnet.org, and Kelly Brooks-Lindsey, UCC at kbl@hbeadvocacy.com.