

California lawmakers want minimum wage tied to CPI

By Jim Sanders, Sacramento Bee

Gasoline was selling for \$3.33 a gallon, Jerry Brown was attorney general, and California was bracing for a budget crisis when the state's hourly minimum wage rose to \$8 in early 2008.

Fast forward to now, and much has changed: Gas is almost a dollar higher, Brown is governor, and the state is reeling from years of red ink. But the minimum wage hasn't budged a cent.

New legislation would change that, ensuring future increases for the state's lowest-wage workers while letting lawmakers evade political heat by taking the hot-button issue out of their hands.

Assembly Bill 1439 by Assemblyman Luis Alejo would prohibit the minimum wage from being lowered as consumer prices fall but would mandate increases as prices rise. The indexing would be expected to hike the minimum wage about 14 cents next January, but more importantly, it would set the stage for what could be annual hikes in years to come.

Alejo, D-Watsonville, bills his measure as a way to boost the economy by putting more money in the pockets of workers struggling to provide food, clothes and housing for their families.

"When minimum-wage workers have more money to spend, they spend it," he said. "They can't afford to save it. That is good for all businesses."

The state Chamber of Commerce has labeled AB 1439 a "job-

killer” bill. Other opponents range from the California Restaurant Association to the California Farm Bureau Federation.

“Now is not the time to increase the cost of doing business in California, when businesses are just now showing signs of recovery,” said Jennifer Barrera, a chamber lobbyist.

AB 1439 puts the minimum wage on “autopilot,” Barrera said, “which we don’t think is appropriate.” Lawmakers should not simply let statistics dictate rates without considering other factors, she said.

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