



Updated: May 14, 2015

State law requires the minimum wage for all industries to be no less than \$9.00 per hour on and after July 1, 2014, and \$10.00 per hour on and after January 1, 2016. The Federal minimum wage for covered nonexempt employees has been \$7.25 per hour since July 24, 2009. In 2012, City of San Jose voters approved a minimum wage ordinance that was placed on the ballot by an initiative. San Jose's minimum wage started at \$10 in 2013, \$10.15 in 2014, and \$10.30 in 2015. On October 28, 2014, the City of Sunnyvale adopted a minimum wage ordinance of \$10.30 effective January 1, 2015. The City of Mountain View adopted a minimum wage ordinance at the same time as Sunnyvale, but the wage will not be effective until July 1, 2015. The Cities of Sunnyvale and Mountain View are currently part of a regional effort to increase the minimum wage to \$15.00 by 2018.

The City Council expressed interest in establishing a citywide minimum wage and exploring an ordinance based on that adopted in the City of Sunnyvale, and possibly working in coordination with neighboring cities. Council also noted a general awareness of wages not keeping pace with the high cost of living and housing in many Bay Area cities, including Santa Clara, as an impetus for consideration of a minimum wage increase. On May 5, 2015, Council directed staff to bring back a draft minimum wage ordinance modeled on the City of Sunnyvale's ordinance.

The City of Santa Clara's draft minimum wage ordinance is modeled after the City of Sunnyvale's minimum wage ordinance. It will set a citywide minimum wage of \$11.00 effective January 1, 2016, and it will increase each year based on an increase, if any, of the Consumer Price Index (Urban Wage Earners and Clerical Workers, U.S. City Average for All Items). Governmental agencies, excluding the City of Santa Clara, are exempt from the minimum wage requirement. The minimum wage can be waived through collective bargaining. The City must publish and make available to employers a bulletin that announces the minimum wage for each upcoming year, and employers must post the bulletin in a conspicuous place in the workplace. The minimum wage ordinance would be enforced through all applicable means through the Santa Clara City Code, like issuing an administrative citation, issuing a compliance order or initiating a civil action for injunctive relief, damages, and civil penalties. The City would be responsible for investigating possible violations.