

REPORT OF THE CHIEF LEGISLATIVE ANALYST

DATE: June 15, 2023

TO: Honorable Members of the Rules, Elections, and Intergovernmental Relations Committee

FROM: Sharon M. Tsoukas
Chief Legislative Analyst

Council File No. 23-0002-S63
Assignment No. 23-06-0309

SUBJECT: Resolution (Price—Soto-Martinez) to SUPPORT SB 525 (Durazo)

CLA RECOMMENDATION: Adopt Resolution (Price—Soto-Martinez) to include in the City’s 2023-2024 State Legislative Program, SUPPORT for SB 525 (Durazo), which would raise the minimum wage of health care workers across California.

SUMMARY

Resolution (Price—Soto-Martinez), introduced on June 2, 2023, indicates that SB 525 (Durazo) would raise the statewide minimum wage for healthcare workers, which would address healthcare labor shortages caused by inadequate pay and poor working conditions. SB 525 (Durazo) would require a health care worker minimum wage of \$21 per hour for hours worked between June 1, 2024 and June 1, 2025, and a minimum wage of \$25 per hour after June 1, 2025. After the final wage increase to \$25 per hour, the minimum wage would then be tied to inflation. The Resolution further reports that healthcare providers were experiencing labor shortages before the COVID-19 outbreak, which have since been exacerbated by the pandemic. Raising the minimum wage of healthcare workers could help prevent healthcare worker labor shortages and incentive more people to work in healthcare for longer periods of time. The Resolution therefore requests that the City support SB 525.

BACKGROUND

Healthcare workers are considered “essential” workers by the U.S. Department of Homeland security because they perform a range of functions that are essential to continue critical infrastructure operations. The City of Los Angeles has concurred with this designation of healthcare workers, as noted in Ordinance No. 187566, which states that healthcare workers are integral to the wellbeing of Los Angeles. The Ordinance also raised the minimum wage for healthcare workers to \$25 per hour while also mandating subsequent annual wage adjustments to account for cost of living increases, as measured by the Consumer Price Index for Urban Wage Earners and Clerical Workers.

On August 10, 2022, the Referendum Petition Against Ordinance No. 187566 was filed with the Los Angeles City Clerk. As a result of the filed referendum petition, Ordinance No. 187566 was suspended and will not take effect unless it is adopted by City voters in 2024.

If SB 525 passes in its current form, it would supersede Ordinance No. 187566, as municipal regulations cannot be duplicative of state law.

Hospitals, health systems, and clinics are facing staffing shortages that could jeopardize the availability of care in Los Angeles, especially in lower income communities. According to a recent American Hospital

Association survey, job vacancies for various types of nursing personnel increased by up to 30 percent between 2019 and 2020. Further, a 2021 Washington Post-Kaiser Family Foundation survey found that nearly 30 percent of healthcare workers are considering leaving their profession altogether, and nearly 60 percent reported impacts to their mental health stemming from their work during the COVID-19 pandemic.

Given the working conditions of healthcare workers in the healthcare industry, raising the minimum wage of healthcare workers could assist with worker retention and worker shortages affecting healthcare workers in Los Angeles.

DEPARTMENTS NOTIFIED

Bureau of Contract Administration
City Attorney

BILL STATUS

5/18/23	Amended Senate
4/20/23	Amended Senate
1/30/23	Introduced


Henry Flatt
Analyst

Attachments:

1. Resolution (Price-Soto-Martinez)

Resolution

WHEREAS, any official position of the City of Los Angeles with respect to legislation, rules, regulations or policies proposed to or pending before a local, state or federal governmental body or agency must have first been adopted in the form of a Resolution by the City Council with the concurrence of the Mayor; and

WHEREAS, California is facing a healthcare workforce crisis, and the City Los Angeles is impacted by this shortage. 85% of California hospitals, medical groups, home health providers, and other healthcare facilities are experiencing a shortage of allied healthcare professionals. Even before the pandemic, the state was facing a shortage of 500,000 healthcare workers to care for our aging population. Now, after facing the trauma and dangerous working conditions of the pandemic and struggling with low pay and poor working conditions, huge numbers of healthcare workers are leaving the field and many others are thinking considering leaving; and

WHEREAS, the impacts of the staffing crisis are being felt by healthcare workers and those they care for. In a large survey of over 30,000 healthcare worker members of SEIU-UHW, 83% of respondents said their department is understaffed. Staffing shortages have a direct negative impact on patient care; and

WHEREAS, there is a growing movement to increase healthcare worker pay in cities across California. Since the start of 2022, several cities, including the City of Los Angeles have voted to set a \$25 minimum wage for local healthcare workers. Long Beach, Downey, and most recently Lynwood have also passed a healthcare worker minimum wage ordinance, and in November of 2022, voters in the city of Inglewood passed Measure HC, setting a citywide \$25 minimum wage for healthcare workers; and

WHEREAS, SB 525 (Durazo) seeks to address the healthcare shortage and increase the minimum wage for healthcare workers statewide;

NOW, THEREFORE, BE IT RESOLVED, with the concurrence of the Mayor, that by adoption of this Resolution, the City of Los Angeles hereby include in its 2023-2024 State Legislative Program SUPPORT for SB 525 (Durazo), Healthcare Worker Minimum Wage, which would increase wages for healthcare workers throughout California.

PRESENTED BY: *Curren D. Price, Jr.*
CURREN D. PRICE, Jr.
Councilman, 9th District

SECONDED BY: *[Signature]*

BB

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