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Overview of Wage Boards

House Committee on Labor and Workplace Standards
December 12, 2024

Wage Boards

Some states currently or historically use wage boards to either recommend or establish wages, hours, and working conditions for an industry sector. Wage boards are typically composed of equal representation from industry employers and employees who must either together or with other members of the board achieve a majority to either adopt or recommend the adoption of wages, hours, or working conditions for the industry.

This presentation provides an overview of 12 statutory wage boards in 7 states: Arizona, California, Colorado, Minnesota, New Jersey, New York, and Nevada.



Arizona Minor Wage Boards

Az. Stat. 23-311 *et seq.*

Established 1937; Inactive

Established when the state industrial commission believes a substantial number of minors in an occupation are receiving wages less than sufficient to meet the minimum cost of living necessary for health.

A minor wage board must be composed of

- up to 3 representatives of employees in the occupation
- an equal number of representatives from employers in the occupation
- 1 industrial commissioner who is the chairperson

Once organized, a wage board has no more than 10 days to submit a report approved by a majority of the wage board members to the industrial commission recommending minimum fair wages for minors in the occupation.

Recommendations must consider

- wages paid for comparable work
- the minimum cost of living



California Industrial Welfare Commission

Cal. Labor Code sects. 70 to 74 and 1173

Established 1937; Inactive since 2004

Consists of 5 members appointed by the Governor with the consent of the Senate:

- 2 representatives of organized labor who are members of recognized labor organizations
- 2 representatives of employers
- 1 representative of the general public

The commission may adopt, amend, or rescind orders establishing wages and working conditions for any occupation, trade, or industry.

While active, the commission adopted standards for 17 California industries which remain in effect and subject to enforcement by the Labor Commissioner.

The commission was defunded in 2004 at the request of the California Federation of Labor Unions, which stated that members felt the commission no longer represented the interests of workers.



California Fast Food Council

Cal. Labor Code sects. 1474 to 1777

Established in 2023; No rules adopted as of the date of this presentation

Established in the Dept. of Industrial Relations by legislation first in 2022 and then, after a petition referendum, in compromise legislation enacted in 2023.

9 voting members:

- 2 representatives of the fast food industry
 - 2 representatives of fast food restaurant franchisees or owners
 - 2 representatives of fast food restaurant employees
 - 2 representatives of advocates for fast food restaurant employees
 - 1 unaffiliated member of the public
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The council must adopt by rule minimum employment standards to protect and ensure the welfare of fast food restaurant workers and may annually adopt a minimum wage for the industry for 2026 through 2029.

Since first convening in March of 2024 the council has hired an executive officer and received testimony on the impact of the \$20 per hour industry minimum wage established by legislation.



Colorado Wage Boards

Colo. Rev. Stat. 8-6-109 to 8-6-115

Established 1917; Inactive

Established at the discretion of the Director of the Division of Labor Standards and Statistics with equal representation from employers and employees in the occupation to review and make recommendations to the director regarding wages and working conditions for the occupation.



Colorado Agricultural Work Advisory Committee

Colo. Rev. Stat. 8-13.5-205

Established 2021; Active but unable to make recommendations

Established in the Division of Labor Standards and Statistics with 9 members:

- 2 members who have worked as agricultural workers
- 2 members who are advocates of workers' rights
- 3 members who represent agricultural employers
- 2 representatives from the Migrant Farm Worker Division of Colorado Legal Services

The committee must analyze the wages and working conditions of agricultural workers and annually report its progress, findings, and recommendations to the legislature.

The committee reported at the end of 2023 that a lack of data limited its findings and that “no recommendations related to the agriculture industry can be made at this time.”



Colorado Direct Care Workforce Stabilization Board

Colo. Rev. Stat. 8-7.5-101 *et seq.*

Established 2023; Recommendations dated September 2024

Established in the Division of Labor Standards and Statistics with 15 members:

- 1 representative of the Department of Labor and Employment
- 4 members representing direct care employers or employer organizations
- 4 members representing direct care workers or worker organizations
- 4 members representing direct care consumers

The board must develop and report to the legislature and the governor recommendations for minimum direct care employment standards every 2 years.

The board produced 18 recommendations dated September 2024 including paid “know your rights” training, guidelines for responsible interactions between clients and caregivers, and allocating sufficient funds to the state’s Medicaid program to reach a \$25 per hour base wage requirement for direct care workers by 2026.



Minnesota Nursing Home Workforce Standards Board

Art. 3, Ch. 53, 2023 Minn. Session Laws

Established 2023; Proposed rulemaking includes recommended wages

Established by legislation with 9 members:

- 3 representing nursing home employers
- 3 representing nursing home workers
- 3 specified state officials

A majority vote of the members is required to take any action.

The board must adopt rules establishing minimum nursing home employment standards and review the adequacy of those standards at least every two years. The board must also establish and review worker training curriculum and certify training providers.

The board has proposed rules:

- governing holiday pay, certification of worker organizations, and notice and posting requirements which become effective January 1, 2025.
- governing initial wage standards for nursing home workers which can become effective January 1, 2026 only after both the legislature appropriates funds sufficient to cover the necessary rate increase and the federal approval of the rate increase is obtained.



New Jersey Wage Boards

N.J. Stat. Ann. 34:11-56a7 *et seq.*

Established 1933; Last utilized in 1995

Established when the Commissioner of Labor and Workforce Development believes a substantial number of employees are receiving less than the fair wage. A wage board must include equal representation from employers and employees in the occupation, and 3 disinterested persons representing the public, one of whom must serve as chairperson. Recommendations or reports must receive a majority vote from the wage board members.

Last convened in 1995 to consider an exemption to the state's overtime rules for trucking industry employees.



New York Wage Boards

N.Y. Labor Law sect. 650 *et seq.*

Established 1933; Recommendations adopted by the Industrial Commissioner

Established when the Industrial Commissioner believes any substantial number of persons employed in any occupation are receiving insufficient wages. Members are appointed by the Commissioner and must include equal representation with up to three representatives each from employers, employees, and the general public.

New York has wage orders in place for

- hospitality industry/fast food workers
- farm workers
- building service industry
- miscellaneous industries (all industries not covered by another wage order)
- nonprofit organizations



New York Food Service Workers Wage Board

N.Y. Labor Law sect. 653(2)

Established 2000; Recommendations adopted into wage order

Appointed by the Industrial Commissioner within 6 months of any change to the statutory minimum wage to recommend any changes to wage orders governing food service workers. Members of the Food Service Workers Wage Board are selected by nominations from the N.Y. AFL-CIO and the N.Y. State Business Council.

The recommendations of this wage board are adopted in New York's Hospitality Industry Wage Order, which was amended in 2015 to include wages for fast food workers.



New York Farm Laborers Wage board

N.Y. Labor Law sect. 670 *et seq.*

Established 2019; Recommendations adopted into wage order

Legislation enacted in 2019 required the Industrial Commissioner to appoint the FLWB to recommend successively lower overtime work thresholds and phase-in dates. Membership was appointed by the Commissioner and must include

- 1 representative of the farm bureau
- 1 representative of the N.Y. AFL-CIO
- 1 member of the general public, who is the chairperson

The FLWB met over two years and voted 2-1 to adopt a 10-year overtime phase-in schedule reducing the overtime threshold from 60 hours in 2022 to 40 hours in 2023. The commissioner approved those recommendations, which are adopted in New York's Wage Order for Farm Workers.



Nevada Home Care Employment Standards Board

Nev. Rev. Stat. 608.610 *et seq.*

Established 2021; Recommendations dated December 2022

Established in the Department of Health and Human Services. Membership includes the Director who serves as Chair and nonvoting member, the Labor Commissioner, and 9 members appointed by the Director:

- 3 representatives of home care employers
- 3 representatives of home care employees
- 3 persons who receive or are representatives of persons who receive services from a home care employee

The board must recommend minimum wages and safe and healthful working conditions for home care employees.

The board convened in 2021 and submitted a December 2022 report with 15 board-approved recommendations including adopting a Medicaid reimbursement rate of \$25 per hour for home care services and minimum wage of \$15 per hour for home care employees.



Rulemaking Authority and Enforcement

3 of the 12 wage boards reviewed are authorized to establish either wages or working conditions by rule which are state law subject to enforcement by an executive branch agency. The other 9 produce recommendations for policymakers.

California Industrial Welfare Commission	California Fast Food Commission	Minnesota Nursing Home Workforce Standards Board
May adopt: Wages, hours, and working conditions for any industry	May adopt: Wages, hours, and working conditions for the fast food industry	May adopt: Wages, hours, and working conditions for the nursing home industry
Enforced by: California Labor Commissioner	Enforced by: California Labor Commissioner	Enforced by: Minnesota Commissioner of Labor and Industry
Status: Adopted 17 wage orders, inactive since 2004	Status: Convened, no rulemaking	Status: Proposed rulemaking



Fiscal Impact

California Fast Food Council	Colorado Agricultural Work Advisory Committee	Colorado Direct Care Workforce Stabilization Board	Nevada Home Care Employment Standards Board
<p>“The Department of Industrial Relations preliminarily estimates that, at a minimum, it would incur net annual administrative costs of \$4 million to implement the provisions of the bill. Cost drivers would include staffing the Fast Food Council, legal workload, and operational costs resulting from internal and public meetings.”</p>	<p>“This bill will increase state expenditures in multiple agencies by \$810,307 and 6.1 FTE in FY 2021-22 and \$690,952 and 6.2 FTE in FY 2022-23”</p>	<p>“For FY 2023-24, the bill includes appropriations of \$307,593 to the following agencies: \$186,876 and 0.9 FTE to the Department of Labor and Employment...and \$120,717 and 1.6 FTE to the Department of Health Care Policy and Financing”</p>	<p>Department of Business and Industry, Office of Labor Commission: \$176,938 per biennia</p> <p>Department of Health and Human Services, Public and Behavioral Health: \$220,240 per biennia</p>

