

TERM SHEET

9/11/2023

Provisions	
1.	AB 257 (FAST Act) is repealed.
2.	All joint employer provisions in AB 1228 are deleted and replaced with the below terms.
3.	Industrial Welfare Commission (IWC) budget appropriation, including budget control language, is removed.
4.	Referendum on AB 257 will be withdrawn by January 1, 2024.
5.	Implementation of a new minimum wage for all limited-service restaurants that are a part of a chain with more than 60 locations nationwide, effective April 1, 2024, to \$20.00 per hour.
6.	<p>A Fast Food Council is established within the Department of Industrial Relations with equal representation of employers and employees, as well as a neutral chairperson. The Fast Food Council will have the following 9 voting members:</p> <ul style="list-style-type: none">• Two representatives of the fast food restaurant industry.• Two representatives of fast food restaurant franchisee or restaurant owners.• Two representatives of fast food restaurant employees.• Two representatives of advocates for fast food restaurant employees.• One neutral member of the public, who shall serve as Chair. <p>The Fast Food Council will include non-voting members from the Department of Industrial Relations and Governor’s Office of Business and Economic Development. The Governor shall appoint the representatives of fast food restaurant employees, fast food restaurant franchisees or restaurant owners, the fast food restaurant industry, and the member of the public. The Speaker of the Assembly and the Senate Committee on Rules shall each appoint one representative of an advocate for fast food restaurant employees.</p> <p>Effective January 1, 2025 – 2029, the Fast Food Council has the authority to increase the hourly minimum wage on an annual basis by no more than the lesser of 3.5% or the annual change in Consumer Price Index-W.</p> <ul style="list-style-type: none">• Beginning 2025, the Fast Food Council may elect to reduce future wage increases by region, but in no case will any future increase exceed the lesser of 3.5% or change in CPI-W. <p>The Fast Food Council may recommend proposed standards to the appropriate state agency for consideration. Any findings by the council will be subject to the discretion of the appropriate state agency, and any action by the state agency with respect to any proposed standard is subject to full compliance with the provisions of the California Administrative Procedure Act.</p>
7.	Local municipalities shall be preempted from establishing a higher minimum wage specific to fast food employees.