



Controller John Chiang
California State Controller's Office

300 Capitol Mall
Sacramento, CA 95814
916.445.2636
www.controller.ca.gov

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Contact: Hallye Jordan
916-445-2636

Controller Issues Statement On Minimum Wage Ruling

SACRAMENTO – The following statement was issued by the Controller in response to the Third District Court of Appeal's ruling regarding the Governor's authority to reduce state employee salaries to the minimum wage absent a budget:

"As expected, today's ruling by the Third District Court of Appeal restates the Supreme Court's 2003 ruling in *White v. Davis*, but goes several steps further by saying my office could be excused from reducing the salaries of some 250,000 employees to minimum wage if it is practically infeasible to do so without violating federal labor laws and the State Constitution.

"Like the Supreme Court in *White*, the appellate court declined to resolve the feasibility issue.

"This is not a simple software problem. Reducing pay and then restoring it in a timely manner once a budget is enacted cannot be done without gross violations of law unless and until the State completes its overhaul of the state payroll system and payroll laws are changed.

"I will move quickly to ask the courts to definitively resolve the issue of whether our current payroll system is capable of complying with the minimum wage order in a way that protects taxpayers from billions of dollars in fines and penalties."

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