

# QSR Legislative Agreement

## ELIMINATES Key Threats Against Local Restaurant Owners and Brands

Impacts on QSR Industry	BEFORE Legislative Agreement	AFTER Legislative Agreement
<b>Wages</b>	<ul style="list-style-type: none"> <li>Under AB 257, wages were set to raise to <b>\$22/hr by January 1, 2023.</b> <ul style="list-style-type: none"> <li>Fast Food Council (below) could annually increase wages by 3.5% or the Consumer Price Index (CPI)</li> </ul> </li> <li>Local jurisdictions (cities and counties) had unlimited authority to pass QSR specific minimum wage increases.</li> </ul>	<ul style="list-style-type: none"> <li>Wages set to raise to <b>\$20/hr with delayed implementation of April 1, 2024.</b> <ul style="list-style-type: none"> <li>New Fast Food Council (below) can adjust wages annually by the lesser of 3.5% or the CPI</li> <li>Council can implement lower future increases by region</li> </ul> </li> <li>Prohibits QSR specific minimum wages increases in local jurisdictions until 2029.</li> </ul>
<b>Fast Food Council</b>	<ul style="list-style-type: none"> <li>AB 257 created an unelected Fast Food Council with <b>lawmaking authority</b> over the standards governing CA's QSR industry, including but not limited to: <ul style="list-style-type: none"> <li>Wages</li> <li>Working Conditions</li> <li>Workplace Safety</li> <li>Workplace Training</li> <li>Other</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li><b>AB 257's Fast Food Council – ELIMINATED</b></li> <li>Establishes a new Council with <b>limited authority on wages only.</b></li> <li>New council may make recommendations on all other matters but <b>does not have lawmaking authority.</b> <ul style="list-style-type: none"> <li>Working Conditions – <i>advisory only</i></li> <li>Predictive Scheduling – <i>advisory only</i></li> <li>Workplace Safety – <i>advisory only</i></li> <li>Workplace Training – <i>advisory only</i></li> </ul> </li> </ul>
<b>Industrial Welfare Commission (IWC)</b>	<ul style="list-style-type: none"> <li><b>Unlimited authority to set industry-specific wages to \$22/hr or higher</b> immediately and year-over-year.</li> <li><b>Expansive lawmaking authority</b> to enact regulations impacting workplace standards, safety, training and working conditions.</li> <li>Cannot refer decisions of IWC to the ballot as was done with AB 257.</li> </ul>	<ul style="list-style-type: none"> <li><b>IWC – ELIMINATED</b></li> </ul>
<b>Joint Employer (AB 1228)</b>	<ul style="list-style-type: none"> <li>AB 1228, as introduced, would have <b>established joint liability between QSR franchisees and franchisors</b></li> </ul>	<ul style="list-style-type: none"> <li><b>Joint Employer Provisions – ELIMINATED</b></li> </ul>
<b>AB 257 Referendum Campaign</b>	<ul style="list-style-type: none"> <li>Referendum campaign would have cost the QSR industry (both franchisors and franchisees) \$120M+.</li> </ul>	<ul style="list-style-type: none"> <li><b>AB 257 Referendum Campaign – ELIMINATED</b></li> </ul>