



Exemptions, Not Repeal

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If you light the fuse of a bomb, after warnings that this will cause it to explode, you should not be surprised at the explosion.

California's lawmakers and governor recently imposed super-high minimum wages for workers in fast-food restaurants (\$20 an hour) and workers in healthcare facilities (\$25 an hour). When the legislation was in process, the impact on companies, customers, and job applicants was deemed irrelevant. What mattered was appeasing the labor lobby.

Governor Newsom is suddenly "realizing" (he'd been warned) that these new costs will also burden the state government, currently facing a \$45 billion budget deficit.

But this isn't causing him to seek repeal.

No. Instead, he has signed legislation granting an exception to the new minimum for fast-food restaurants that are on government land. "Democrats don't want the mandate interfering with government concession licenses," *The Wall Street Journal* [observes](#).

And Newsom also wants to defer the kick-in of the new minimum wage for workers in healthcare facilities—which he projects would cost the state \$4 billion more annually because of the impact on Medicaid and state-paid health workers—until state revenue is in better shape. He would also permanently exempt state-owned facilities from having to pay the new minimum.

Carveouts and minor delays are as far as the governor and lawmakers are willing to go. Whatever gets them past the uncomfortable present—the next moment and the one after—are things to worry about later. With any luck, with time the voters will have forgotten the issue, and who caused what.

Exemptions are the order of the day for politicians and bureaucrats. Private sector businesses must remain on [the rack](#).

This is Common Sense. I'm Paul Jacob.