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Testimony of State Representative Robert Sanchez
To the Human Services Committee, in support of: Senate Bill 1044, *An Act Concerning The*
Recoupment of State Costs Attributable to Low Wage Employers.

Public Hearing March 12, 2015

Good afternoon, Senator Moore, Representative Abercrombie ranking members and distinguished members of the Human Services Committee. I am submitting testimony in support of Senate Bill 1044, AN ACT CONCERNING THE RECOUPMENT OF STATE COSTS ATTRIBUTABLE TO LOW WAGE EMPLOYERS.

The need for this bill came to my attention, because there are a number of people who require public assistance due to low paying jobs. Today, more than 225,000 workers, 13.6% of all employees in Connecticut, make wages at or near minimum wages. These workers make so little (Connecticut's minimum wage is \$8.25 rising to \$9.00 on January 1, 2015) that their salaries are not enough to lift them over the Federal Poverty Line (\$23,550 for a family of four). Most of these workers are employed in retail, education, health, leisure and hospitality. Retail workers, the largest group, are concentrated in large companies with more than 500 employees. On average, these workers are white, over 20 years old, and work at least 20 hours a week, with almost 40% working full time.

Over the past three decades, minimum wage workers have seen their real wages decline by 9%. Even with the recent two-part increase in Connecticut's minimum wage to \$9/hour, they are too low to raise a family out of poverty. As a result, these workers often have to apply to public benefits, resorting to government help to make ends meet.

One aspect of this bill that I find particularly appealing is that it directs the fee revenue from large low wage employees to the services used by their low wage employees. Many of those services are provided by community based providers. These organizations have struggled to provide early education services with very little money. Last year was the first small very small increase in provider reimbursement rates for the School Readiness program since 2007 and for the Care4kids childcare subsidy since 2001.