

# Labor and Public Employees Committee

## JOINT FAVORABLE REPORT

**Bill No.:** SB-2

**Title:** AN ACT INCREASING THE MINIMUM FAIR WAGE.

**Vote Date:** 3/14/2019

**Vote Action:** Joint Favorable

**PH Date:** 3/7/2019

**File No.:** 207

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### SPONSORS OF BILL:

Labor and Public Employees Committee, Senate Democratic Caucus

### REASONS FOR BILL:

The bill would raise the current minimum wage from \$10.10 to \$12.00 on January 1<sup>st</sup>, 2020; \$13.50 on January 1<sup>st</sup>, 2021; and \$15.00 on January 1<sup>st</sup>, 2022. Also, beginning in 2024, this legislation would require any future wage increases be based on the Consumer Price Index.

### RESPONSE FROM ADMINISTRATION/AGENCY:

**Shawn T. Wooden, State Treasurer:** Supportive of SB 2 and HB 7191 because despite CT's increase in the minimum wage in recent years, low-wage workers are subject to stagnation in their wages, while high-wage earners have seen overall wage growth. CT ranks third behind only New York and Florida in wage growth gap which is a driving force in the state's drastic income inequality. CT, at one time, lead states in adopting a \$10.10 minimum wage. Now the state is falling behind. It is a more than an economic issue, it is a moral one.

**Kevin Lembo, State Comptroller:** Supports raising the minimum wage in order to provide more families in CT with economic stability. The U.S. economy has grown but wages have not, minimum wage must be raised to combat this.

### NATURE AND SOURCES OF SUPPORT:

**Senators Richard Blumenthal and Chris Murphy & Representatives Joe Courtney, Rosa DeLauro, Jahana Hayes, Jim Himes and John Larson, CT's Federal Delegation:**

Stated that millions across America currently live in poverty and that by increasing this wage, we are restoring hope for people to achieve the American Dream. The testimony also noted that the initial purpose for a minimum wage was to provide a fair and livable income baseline, however it has never kept up with inflation.

**Senator Martin Looney, President Pro Tempore:** The current \$10.10 is insufficient to allow CT's low wage workers to live with dignity or any financial security. The gradual increase of minimum wage will help CT's economy, not hurt it.

**Senate Democratic Caucus, State Senate, State of CT:** Strongly supports Senate Bill 2, as original sponsors. CT has fallen behind in permitting residents to earn a livable wage. Since 1979, the value of the state minimum wage has decreased despite increases in work productivity and the cost of living. A 2012 study by the CT Voices for Children found that although the minimum wage increased 184% from \$2.91 in 1979 to \$8.25 in 2012, the actual value of the minimum wage decreased by 9%. The current minimum wage of \$10.10 still has less relative value than it did in 1979.

**David Michel, State Representative and Assistant Majority Leader:** Research shows that in order to afford a two bedroom apartment, one must make \$24.90 at 40 hours per week. Currently at \$10.10 a low-wage family of three cannot achieve this. Minimum wage must be raised so that residents can afford the bare necessities.

**Mayor Luke Bronin, City of Hartford:** Stated that major companies located in Hartford, specifically Aetna and Hartford HealthCare, have already pledged to raise the minimum wage to \$15 an hour. He also noted that because many minimum wage works are African American or Hispanic, they would benefit significantly from this legislation. Increasing the minimum wage would make CT a fairer place to live and work as well improve local economies as workers would have more disposable income.

**Pastor AJ, Senior Pastor of Urban Refuge Church:** This is a pro-worker policy that will have positive impact on workers across CT, specifically workers of color. He stated that childhood poverty rates in CT hover around 15% statewide, but the rate in the state's large cities are double or triple. He cited that black families earn a median household income of \$44,418 and Latino families earn a median household income of \$42,371. This legislation would help those families increase their median household income and rise out of poverty.

**Liza Andrews, CT Coalition Against Domestic Violence:** Stated that the cost of maintaining basic living standards for one adult is \$19.08 an hour and for a single parent with two children is \$40.48 per hour. Survivors of domestic violence are often victims of financial abuse as their partners often prevent them from seeking education and professional opportunities to better themselves. She explained that an increase would have a positive impact for survivors of domestic violence as they often are single parents who are supporting their children and overcoming limited means if they chose to leave a relationship. Her testimony also stated support for nonprofits to pay a minimum wage based on indexing only if the state/Governor's Office budgeted for this in their contracts with nonprofits.

**Robert Andrews, East Haddam Resident:** During his time as a retail worker, he learned that many full time workers in his field needed to seek a second job or public assistance because of low wages and little to no benefits.

**Paula Bacolini, Glastonbury Resident:** She supports all three bills that are before the Legislature on this topic (SB 2, HB 5004, and HB 7191). She believes that a \$15 wage by 2022 would not been enough for CT workers and that the Committee/legislators needs to start working on policies that would enact a \$25 per hour minimum wage by 2025. She also supported testimony on HB 7191 from Carlos Moreno of the Working Families Party as Moreno called for a removal of the “Expanded Submission of Training Wage” and the replacement of the Employment Cost Index with the Consumer Price Index.

**Angela Bellas, Manchester Resident:** Cited the ALICE (Asset Limited, Income Constrained, Employed) Report and explained that 40% of CT residents fall into the ALICE Category and that the recent report contained a realistic family sustaining budget. That budgeted totaled \$75,000. She explained that in order to achieve that annual budget total, a minimum or low wage worker would need to work 150 hours a week. As a social worker, she sees the need for this wage increase.

**John Brady, Executive Vice President of AFL-CIO:** Even though \$15 would still not be enough, it would provide dignity and a fairer wage to CT’s workers who have not earned enough. Also noted that Massachusetts and New York have already enacted minimum wage increases and that Maine, Rhode Island, and Vermont already have higher minimum wage rates than CT. Lastly, he stated that an increase in wages means that workers will more than likely spend that income locally, thus growing our state’s economy.

**Beverley Brakeman, Director of United Auto Workers Region 9A:** Supportive of SB 2 and HB 5004. She stated that the current \$10.10 an hour rate is not enough to support an adult, nor a family in CT. If this legislation is passed, it would allow minimum wage workers the opportunity to earn \$3000 in the first year of the phased-in increase. She did register opposition to HB 7191 as the bill contains provisions for training wages and reduces the subminimum wage rate from 85% to 75%. She requested the committee consider amending HB 7191 to remove those provisions.

**Angel Candelario:** Explained that his mother was a single parent, with four children who worked very hard to ensure that they had everything they needed. At the age of 8, he was diagnosed with leukemia and that meant his mother had to work extra hard to ensure he made treatments and received care. Recently, his mother was diagnosed with stage four breast cancer and he is working over 55 hours a week to make enough money to take care of her. He explained that this cycle is why he joined the “Fight for \$15” movement as this increase would allow parents to earn up to an extra \$2,700 a year – that amount would have and still can make a huge difference for families like his.

**Kevin J. Cavanaugh:** Supports raising the minimum wage because this increase in wages at rates specified in the bill would be reasonable and justifiable in CT’s economy.

**Calixto Cornejo, Martha Duque, Michelle Hart, Juan Hernandez, Jessica Lora, Rick Melita, & Mara Morales, SEIU:** Support raising the minimum wage because this would mean

their wages increase from \$10.10 to \$15. This would have a huge impact in their ability to provide for their families.

**Madeline Granato, Policy manager for CT Women’s Education and Legal Fund:**

Supports raising the minimum wage because the current minimum wage is far below what is needed to meet a family’s basic needs. A working single adult in CT must make \$20.55 an hour or \$43,392 a year to support oneself. Further, this number rises greatly when children are added to the equation. Minimum wage work and poverty disproportionately affects women; therefore, they believe this legislation will help close the gender pay gap.

**David Cooper, Economic Policy Institute:**

Supports raising the minimum wage because economic literature shows that this increase would be beneficial for most. According to productivity levels, our current minimum wage should be \$21.57 and raising the minimum wage would begin to combat the massive income inequalities in CT. Additionally economic research tends to show that the incremental raising of the minimum wage had little effect on employment. Businesses can be benefitted in the following ways: increased productivity, decreased turnover, and increased customer demand.

**Joelle Fishman, CT Communist Party:**

Supports raising the minimum wage because low wage work is disproportionately worked by people of color. Raising the minimum wage would help close income gaps within our state. She shared the stories of two young college grads who are not making a wage high enough to move out of their parents’ houses and also the story of an immigrant woman who was a teacher, but now makes just above minimum wage.

**Kyra Franklin:**

Supports raising the minimum wage because as a student trying to put herself through college, she has a hard time doing so on her current \$10.10 an hour salary. This rate is below the poverty line and needs to be raised in order to help low-income working families in CT.

**Leo Gertner, National Employment Law Project:**

With the high cost of living in CT, minimum wage workers, who disproportionately are women and people of color, need a raise now to afford the bare necessities of life. Additionally, minimum wage jobs are growing in number which means more people are going to be affected by stagnant wages. The various benefits of raising the minimum wage far outweigh the negative aspects. Research conveys that the raising of wages does not negatively affect employment.

**Sean Ghio, Policy Director of Partnership for Strong Communities:**

Raising the minimum wage would help those struggling to find affordable housing options as increases to average rent in CT has risen much faster than the minimum wage.

**Kimberly Glassman, Director of the Foundation for Fair Contracting:**

Raising the minimum wage would be beneficial to CT’s construction industry. Additionally, our neighboring states are surpassing us in minimum wage legislation. The wage floor needs to rise so there are less income disparities among residents.

**Richard Grimes:**

Homelessness is a significant problem in the U.S. that may directly be combatted by raising the minimum wage. The economy will be strengthened when people have more money to spend. If our neighboring states have already passed similar legislation, CT should be able to as well.

**Donna Grossman:** Supports raising the minimum wage because according to her research, someone making \$10.10 an hour working 40 hours a week can only afford \$454 a month for rent. In CT, the only affordable accommodations would be a single room within a private household. Because there are many more minimum wage workers than these accommodations it is fair to assume that many minimum wage workers are having trouble affording housing. Workers must be paid more in order to afford housing.

**Sally Grossman, Business Owner:** Supports raising the minimum wage because businesses need to model their organization around paying their workers a living wage.

**Win Heimer, Vice President of CT Alliance for Retired Americans:** Workers should not have to work 75.5 hours a week at \$10.10 an hour to make a living wage. Additionally, more money would be paid into Social Security which will ensure the wellbeing of all retired Americans.

**Deanna Keller:** No one should be working full weeks and have to face homelessness like she did. CT must pay a living wage so individuals like herself can afford rent and simple furnishings.

**Daniel Knudsen:** Wages have remained stagnant for many years relative to the economy and productivity increases. Raising wages would not only help low wage workers but also the economy in general.

**David LaFemina, Representative of International Federation of Professional and Technical Engineers:** Paraeducators work very hard and deserve a higher pay. Additionally, businesses will benefit from increased support from consumers. Also, if CT is one of the most expensive states to live in, then we should have one of the highest minimum wages.

**Zak Leavy, Legislative advocate for AFSCME:** Raising the minimum wage would increase the spending power in CT. The elimination of decreased training wages is crucial to eliminating businesses from conducting bad practices that result in high turnover.

**Sal Luciano, President of AFL-CIO:** CT is being left behind as other states are raising the wage floor. The value of minimum wages has eroded and it is significantly less money relative to inflation than it was in 1968. This increase will affect mostly people over 20, parents, and minority women. Businesses can afford this increase because corporate tax cuts in recent years allow for this.

**John Magnesi:** Believes it should exceed more than fifteen dollars an hour because research suggests that those living in CT would need an even higher hourly wage for it to be an actual livable wage.

**Mac McMahon:** CT is one of the most expensive states to live in and our minimum wage should reflect our living expenses.

**Susan Miller:** In order to combat the growing income inequality in our state, the wage floor must be raised.

**Jaimie Mills, Director of Fiscal Policy for CT Voices for Children:** Anyone who works full time should be able to have basic needs met for themselves and their children. Raising the minimum wage will help children living in poverty. However, important attention must be paid to make sure the cliff effect is not felt by low income families.

**Carlos Moreno, Director of Working Families Coalition:** There is a rising number of people living below the poverty line as well as a rising income disparity throughout the U.S.. The decreased wage for training workers constitutes as wage theft and should not be allowed.

**Danielle Morfi:** It will alleviate the burden on low wage workers and public assistance programs. Also, the wealth gap between average employees and CEOs is astronomically larger than it was in the 1970s, but since then Americans have only seen an 11.2% increase in compensation.

**Brenda Morissette Naugatuck Valley Project:** The current minimum wage does not allow most workers to afford rent as well as other necessities. As an affluent state, CT can afford to raise minimum wage.

**Tom Nicholas, CT Education Association:** Teachers often see parents that are overworked and underpaid and this takes a negative toll on their children.

**Samantha Hills, Policy Analyst for CT Association for Human Services:** An increase will more accurately reflect the cost of living in CT. Research suggests that raising the minimum wage does not affect the number of low wage jobs available.

**Grace O'Connor, Student at the University of CT:** As an urban and community studies student, she has learned that many communities in CT would benefit from increased wages. This will create a reduced racial pay gap, less child neglect, and overall better mental health for workers.

**Philip Prata, American Income Life Insurance Company:** The cost of living has risen every year, but minimum wage has not risen since 2017. Additionally, raising minimum wage will give workers more opportunity to spend and stimulate the economy.

**Ann Pratt, CT Citizen Action Group:** Cited the Economic Policy Institute Study and United Way ALICE report, urging the committee to do the right thing, moral thing, and to bring about an economy that works for shared prosperity.

**Cheri Quickmire, Executive Director, Common Cause in CT:** There are many reasons to support raising the minimum wage, primary among them when the wage is increased it gives the earner the ability to take care of basic human needs, like housing, health care and child care. CT is falling behind in supporting families as they deal with these critically important challenges. The Economic Policy Institute of Washington, D.C. has statistics that dispel the myths associated with the fair minimum wage. They find that the average minimum wage earner is 35 years old. More than half of all affected workers are prime-age workers (this category includes workers aged 25 to 54 years old). People of Color (POC) would benefit from an increase - 38.1% of minimum wage earners are Black and 33.4% are Latino. 60% of the affected workers work full-time, 44% have college experience, and more the a quarter

(28.3%) are parents. Nearly 4 in 10 of single parents would receive a raise, including (43.0%) of single working mothers. Although the \$15 wage would mean a monthly wage of \$2,250, it is unlikely to sustain a family and comes nowhere near offering low-income families self-sustainability.

**David Roche, Business Manager, Sheet Metal Workers 40:** Sheet metal workers receive \$18.41 in wages and \$22.38 in benefits more than four times the minimum wage. The benefit of having a skilled trade and a career path adds to the economy and provides financial stability for the individual and their family. Minimum wage rates are no longer simply the high school or college student looking to earn a few bucks, they need to earn money to meet educational expenses, help with family bills, and other expenses. The real minimum wage rate should be closer to \$25 as opposed to \$15.00.

**David Stevenson, Realtor, Greater Danbury area:** When family income provides enough to meet a family's needs, the need for public subsidies is curtailed. It is the just and moral thing to do.

**Dominique Torok, CT Intergenerational Alliance:** An increase would reflect inflation and support individuals in meeting their basic needs. According to the CT AFL-CIO, a full-time worker in CT would need to make \$24.47 per hour just to afford a modest two-bedroom apartment. At \$10.10 per hour, it isn't enough to support a lone adult, let alone a family. Increasing the minimum wage to \$15 would provide individuals with the bare minimum of pay needed to provide greater economic security.

**Universal Health Care Foundation of CT:** An increase will make CT more equitable. The legislation will make strides in addressing income inequality. According to the 2018 CT United Way's ALICE Report, 40% of CT households are living on incomes below a household survival budget. Whereas, top earners experienced continued wage growth over time, middle income households remained relatively unchanged, while average wages had fallen for those at the bottom.

**Arvia Walker, Public Policy & Strategic Engagement Specialist, Planned Parenthood of Southern New England:** Planned Parenthood of Southern New England sees over 60,000 patients per year at 16 locations throughout CT. As advocates for women's reproductive freedom, PPSNE must consider all aspects of a women's life including her economic stability. Raising the minimum wage would have the greatest impact on working women, according to an American Progress article. Minimum wage workers are predominately women and women of color. Raising the minimum wage is critical in closing the pay gap generally, and by race, specifically. African-American and Latinx workers are 26% of the state's workforce, and almost one-third would benefit from an increase in the minimum wage. An MIT study, bolstered by Alliance for a Just Society research indicated that a single adult must earn \$19.03 hourly to afford necessities without public assistance.

**Janee Woods Weber, State Committeeperson, CT Working Families Party:** supports SB 2 and HB 5004 because they will gradually increase the minimum wage to \$15 by 2022 and then index it based on inflation. Today's working families cannot afford to live on the current minimum wage. CT's living wage is \$19.08 for a single adult, and \$40.48 for a single adult with two dependent children. In the first year of a phase-in as outlined in this bill, full time

workers could earn up to \$3,000 more. Her mother worked as a cashier and having seen her mother struggle left a lasting impression. Like her mother's experience, the minimum wage disproportionately affects workers of color, who are overrepresented in low-wage jobs. African-American and Latinx workers are 26% of the state's workforce, and almost one-third would benefit from an increase in the minimum wage.

**David Weidlich, President, Communications Workers of America, Local 1298:** supports SB 2 and HB 5004 for many of the reasons stated by other advocates: parity, close wage gap, attempt to close racial wage gap, benefits to society, and less reliance on public subsidies. Expressed concerns about Governor's proposal, HB 7191, as it more than doubles the subminimum wage training period for new hires and for workers under age 18. It increases the training period from 200 hours to 90 calendar days and reduces the subminimum wage rate from 85% of the full minimum wage to 75%. Full-time workers could lose approximately \$1,900 during the training period as compared with what is presently allowed.

**Ivy Wilson, Direct Care Support, SEIU member:** Works as direct care support at Journey Found, a group home agency for persons with intellectual or developmental disabilities. As a single mother with a son in college, she works two jobs for a total of 80 hours per week to make ends meet. The increase last year in state support for group home agencies did help to alleviate some of the stress, but an increase in the minimum wage would allow her to spend more time with her family.

**Kay Wright, Personal Care Attendant, SEIU member:** There are 9,500 homecare providers caring for those that can't live independently in CT. Almost 90% of workers are women and a fair number of those are women of color. Although she enjoys helping those in need, and is grateful for the increase granted to group home workers last year, she knows firsthand that wages have not kept pace with the costs of living.

#### **NATURE AND SOURCES OF OPPOSITION:**

**Keith Beaulieu, Owner of the Man Pub Restaurant in Manchester:** His restaurant has been in operation for 39 years. He stated that the rate and speed intensity of the proposed increase will cause his restaurant, among others, great detriment. If the \$15 an hour increase was put into effect today, his 3% profit margin would be eliminated. He urged legislators to consider a longer plan for wage increase implementation, not to tie future increases to consumer price indexing, and to examine the implications that an increase will have on wait staff due to the tip credit system.

**James Berardino, Lobbyist and Marketing Director for the CT Council of Small Towns:** Explained that COST has concerns about what a wage increase would mean for municipal parks and recreation, after school, and seasonal workers as many of them are minimum wage earners. With the majority of municipalities already facing budget constraints, passage of this legislation would impose additional costs

**Keith Bishop, Owner of Bishops Orchards:** Any increase must occur over a five to six year period, at a more reasonable rate because agricultural based businesses will not be able to survive/have profits/repay loans otherwise. His business employed 257 individuals in 2018

that ranged from 15 to 80 years of age and 173 of those employees worked under 20 hours a week/289 hours a year/at an average wage of \$11.30. The average age of these 173 employees was 17.3 years of age. He highlighted that his farm is a great first job for many young people and that they are already paid competitively and fairly considering their lack of experience.

**Douglas Bussa, Bussa Orchards:** His farm has operated for the last 100 years and each year, they face new financial constraints due to the cost of doing business and decreasing profits. If the minimum wage was to be increased, this would be of too great a cost to their operation.

**John L. Cattelan, Executive Director of the CT Alliance of YMCAs:** Not opposed to increasing the minimum wage, but has concerns about the financial burden \$15 minimum wage will place on non-profits such as the YMCA and YWCA. Additionally, the CT Alliance YMCAs are concerned about the increasing price of childcare as many people cannot afford these expenses currently.

**David Cohen, Platt & LaBonia Company:** Raising the minimum wage because it would hurt the very workers it intends to help. His company employs those with criminal records that have a hard time finding work elsewhere. With the increased cost of labor, which accounts for more than half their production costs, the company may have to move to another state or overseas in order to make a profit.

**Wayne Pesce, President of CT Food Association:** The 3 year phase in is not a sufficient amount of time for retailers to absorb the increased costs efficiently. Mr. Pesce also explained that the CPI included in the bill is problematic as the last two decades have had low inflation and high minimum wage increases. He would support this legislation if the minimum wage was raised to fifteen within six years and the CPI portion is removed.

**CT Association of School Business Officials:** Although not necessarily against the bill, they have concerns regarding the increased cost raising the minimum wage for those working within the public school system. Through their fiscal analysis survey CASBO found that increasing the minimum wage could cost districts between \$25,000 and \$380,000. In order to account for these additional costs, municipalities will either have to cut spending within their town budgets or raise taxes for its residents.

**CT Associations Coalition:** Opposed to raising the minimum wage because the \$1 wage increases per year are difficult for companies to absorb and will likely result in: layoffs, price increases, automation, unfunded mandates to municipalities, tax increases, and few employment opportunities.

**Dr. Mark Albin, CT Veterinary Medical Association:** Although not completely opposed to raising the minimum wage, CVMA suggests legislation includes a lower wage training category so that they can continue to hire unskilled workers and students interested in getting some insight to the veterinary field.

**Lars Demander, Farm Owner:** It would affect their business negatively as the cost of labor already takes up a good deal of their profits. An increase in the minimum wage would affect

how many workers they are able to hire and in turn would be bad for the young students in their community looking for work.

**Renée Dobos, Chief Executive for CT Housing Partners:** It is not economically feasible for small businesses which will in turn move even more businesses out of CT.

**Jay Dumond, Owner of City Stream Brewery and Scott Dolch, Executive Director of CT Restaurant Association:** Opposed raising the minimum wage because it will lead to higher labor costs and hurt the restaurant business in CT. As of now, CT's server's wage is the highest in New England and a minimum wage increase will surely increase server's wages:

**Jonathan Edwards, CT Vineyard and Winery Association:** CT is already one of the costliest places to own a business and increasing the minimum wage would increase the costs of running a business. Recommends changing the legislation to include a lower wage for workers in training, expanding the timeline to six years, and not including the CPI provision.

**Ray Favreau, Legislative Committee Chair for CT Parks and Recreation:** Opposes raising the minimum wage because of the impact the unfunded state mandate will have open municipalities ability to offer affordable childcare options. This legislation will likely cause a reduction in services as a result of paying workers more. It has been calculated that these wage increases will cost municipalities between \$175,000 and \$400,000 in labor costs.

**Keith Garbart, CT Camping Association:** The increase cost of labor will force camps to increase their fees or shut down completely. They believe seasonal employees should not have to be paid minimum wage.

**George Frantzis, Owner of Quassy Amusement Park:** Increased labor costs will hurt business. Every 25 cent increase in wages increases Quassy's seasonal payroll to \$26,000. If this legislation was passed, the amusement park would have to consider hiring less workers and automating more jobs. If the legislation is to be passed they recommend an exemption for businesses employing part-time, seasonal workers.

**Chaim Gewirtzman, Chairman of Homecare Association of America:** Has concerns that raising the minimum wage would create additional costs for elders and their families who use homecare aides, fewer hours and less employment opportunities, fewer entry level positions, layoffs and demands for higher pay by more senior workers. Recommends the increase to take place over a larger increment of time.

**Daniel Giungi, CT Conference of Municipalities:** Has concerns about the legislation as it is currently written because unfunded state mandates cause towns usually to raise property taxes. However, if the state funded this mandate CCM would not be opposed to raising the minimum wage.

**Eric Gjede, Head of Government affairs, CBIA:** It is already costly for businesses to operate in CT and this legislation would make it worse. Additionally, it would negatively impact unskilled younger workers whose positions would be the first to be eliminated by small businesses to save money. Proposes the minimum wage be raised more incrementally within six years and that training wages be expanded.

**Deborah Hoyt, CEO of CT Association for Healthcare at Home:** Home health care businesses have fixed or declining revenues that are not enough to support the cost of care. In addition, Medicaid reimbursements are inadequate. Many home healthcare options would have to raise prices or go out of business.

**Bryan Hurlburt, CT Farmers Bureau:** The increased cost to farmers would be too much. They request that the wage increase occur more incrementally and that there is a reduced pay rate for beginners and those under the age of eighteen

**Ken Judson, Business owner:** This increase would affect him as a preschool owner and others as well. With higher wages, he will need to raise tuition, thus putting the financial burden on many middle class working parents.

**David Krechevsky, Director of Public Policy for Waterbury Regional Chamber:** Business owners should not be expected to absorb the increased costs associated with this. Wage increases will result in layoffs, reduced hours, automation, and the increased price of goods. Proposes a lesser increase of fourteen dollars an hour more incrementally, as well as allowing seasonal employees to be paid less.

**Robert LaBonne Jr., Owner of LaBonne's markets:** He employs many high school aged kids and believes starting wages should be lower than \$15 an hour. Additionally, full time employees with benefits will see a decrease in those benefits and food costs at his stores would have to increase as well.

**Peter Landry Thames River Tech Services:** The minimum wage is not supposed to be a living wage. People should be encouraged to move up in their fields and merely gain experience in minimum wage jobs. Raising the minimum wage will cause stagnation in workers.

**Lumber Dealers Association of CT:** Businesses represented by LDAC already provide their employees with paid sick leave and benefits. These businesses are mostly concerned about wage compression and reduced entry level positions.

**Sam Leary, Business owner:** CT has already raised the minimum wage by 82% in less than 10 years. His business has had a very hard time being able to sustain these increases. Also concerned about how the state will pay its minimum wage employees while there is such a great deficit.

**Steven Matiatos, President of CT Lodging Association:** Opposes raising the minimum wage because with the current state deficit, there may be additional debts added on in order to accommodate wage increases. The increase would cost CT tax payers \$50 million annually. Additionally, employment in the hospitality industry in CT will diminish.

**Matt Mazur:** When Whole Foods Market raised their wages to \$15 an hour, full time workers were cut an average of 10 hours a week.

**Mag Morelli, President of Leading Age CT:** Opposes raising the minimum wage as written in the proposed legislation, but would support the increase if there was a mandate for Medicaid coverage to address the increase cost of labor for aging services.

**Doug Murdoch, Association of Movie Theater Owners:** Movie theaters operate on slim margins and most of their employees are young students. These unskilled beginners should not be paid \$15 an hour. Movie theaters give increased wages to employees who stay for a certain amount of time.

**National Federation of Independent Businesses:** It would cause a loss of jobs (approx. 46,000). Small businesses and consumers will be among the hardest hit. Also some studies show that low wage workers have trouble finding work after minimum wage increases.

**George Norman, Farm Owner:** Opposes raising the minimum wage because farms will have to bear the burden of the increased price of labor.

**Gerry Pastor, CT Childcare Association:** An owner of a preschool he knows that tuition prices will have to rise and as a result child care in CT will only be available to the wealthiest of families.

**Quinton Pearson Jr., Small Business Owner:** Raising the minimum wage interrupts the flow of the free labor market.

**Tim Phelan, CT Retail Merchants Association:** Opposes raising the minimum wage because it would reduce job opportunities. Retailers already pay the highest taxes and rent in CT this added financial burden may close businesses.

**Dr. Susan Radway, Riverfront Children's Center, Groton, CT:** Supports the minimum wage bills, but has concerns. 16 of their 21 teachers earn less than \$15.00. She suggests a longer phase-in period from 5 to 8 years. This change would permit enough lead-time to fundraise, make budget adjustments, obtain grants, and absorb costs. Of the 122 children from 8 southeastern CT communities, primarily Groton and New London, 38% come from families below the federal poverty level and 48% are ALICE according to the United Way study. Tuition would increase by \$2,500 per year, and the salary line item would increase by 32%, adding \$300,000 more to the salary levels.

**Shawn Reilly, Director of Operations, Elis Restaurant Group:** This group represents 6 restaurants with over 175 workers. One location has been open for 3 years and has yet to turn a profit. He opened the newer restaurant by taking out a second mortgage on his house. Wages need to be paid for 40 workers, and with utilities, landscaper, insurance, taxes, and other expenses, a minimum wage increase would force him to raise prices.

**Julianne Roth, President, Companions for Living, LLC:** opposes the bills in their present form. While they recognize what employees do as being difficult and they would like to see a minimum wage increase, it needs to be a gradual increase over a longer period of time. Our industry employs caregivers. Most caregivers make \$11-13 hourly. The industry's margins are thin. The Medicaid reimbursement rates must be commensurate with the minimum wage. Private pay clients are on fixed incomes. The consequence for not keeping pace with the

minimum wage-reimbursement rate nexus would be disastrous. Providers would be forced out of business and their clients would lose their independence.

**Jeff Shaw, CT Community Nonprofit Alliance (The Alliance):** The Alliance represents over 300 nonprofit community organizations and associations. They employ nearly 14% of CT's workforce and provide services to more than 500,000 people annually. It is our belief in order to implement the provisions of SB 2 successfully, contract amounts for nonprofits that provide services for the state must be adjusted to build-in protections and to ensure resources are available to cover increased costs. State contracts do not automatically adjust to changes in wages. Wages vary by job type, organization, and state agency.

**Scott Shepard, Policy & Research Director, Yankee Institute for Public Policy:** Opposes the bills out of a concern that some communities—particularly small and rural communities would be hurt. If the minimum wage increase is approved in 2019, it should be a slow and steady increase in the permissible minimum wage that allows municipalities to remain where they are or to increase up to a lower cap than the bills propose. Minimum wage hikes will have harmful effects: cutback of hours, more unemployment, working harder with less support for most. A select few will benefit by seeing no decrease in their hours, or increased workload burden, or loss of co-workers. The conclusion is proven that if something costs more, people will buy less of it. They recommend: longer phase-in, reduce regulatory burdens to business, and provide a local option for municipalities.

**Nicholas Siena, Wallingford, CT:** The minimum wage issue is a complicated matter. A person should be paid for their work at the best level that the market would support. If government sets a standard wage, mustn't family size, marital status, housing be considered?

**Tom Tecklenburg, New Preston, CT:** This will have a negative impact on jobs and opportunities in the restaurant industry. Additionally, the current tip-credit formula is coupled with this bill, so wages for servers and bartenders will increase as well, making it more difficult for the restaurant industry to survive.

**Craig Whiting, Selectman, North Canaan, CT:** Small business is essential to the well-being of the state's economy and they rely on high school and college students. He believes the minimum wage was not meant to be a living wage. Increasing the minimum wage by 12% over 4 years will drive up costs for services. A 1.5-4% average wage increase range is more reasonable than what is proposed.

**Reported by: Bryan Anderson**

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