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**TESTIMONY SUBMITTED TO THE  
LABOR AND PUBLIC EMPLOYEES COMMITTEE  
Wednesday, March 7, 2019**

**HB 7197, HB 5004 and SB2 ACTS INCREASING THE MINIMUM FAIR WAGE.**

The Connecticut Association of School Business Officials (CASBO) is a non-profit professional association that represents school business officials throughout the State of Connecticut. School business officials work closely with school boards, school superintendents, administrators, staff, public officials and communities; and we are responsible for most aspects of school business and operations. This includes, but is not limited to, developing, administering, and monitoring school district budgets.

As the Committee and the public discuss the topic, we are providing below some preliminary fiscal estimates to put some much-needed context around the impact that an increase in the minimum wage will have on school districts throughout the State. Obviously for a School District and a Town, there are no easy or good choices when it comes to any increase in the minimum wage. Schools and Towns will be forced to either cut spending elsewhere in the education or town budget, or the additional costs will have to be passed on to their respective taxpayers. In the end, an increase in the minimum wage is yet another unfunded mandate for our schools.

Recently, CASBO conducted a survey of its members about the impacts of raising the minimum wage in CT to \$15.00 an hour. Thirty-seven members responded, which represents about 25% of our membership. The following summarizes the results:

These proposals would impact directly the following groups (with range of average hourly wage below \$15 per hour):

Food Service workers (\$10.65 - \$13.60); Paraprofessionals, aides (\$11.11- \$14.96)  
Substitutes (\$75 per day or about \$10.72); Custodial staff (\$10.75- \$14.71)  
Student workers (\$10.10- \$12.00); various part time workers; security services; some contracted services; bus and van drivers and monitors.

The majority of the school districts responding projected serious financial impacts with respect to increasing the minimum wage. These impacts ranged from \$25,000 to \$380,000 but it should be noted that larger school districts may have impacts that exceed the \$380,000 per year. Also, the

above costs exclude the additional impacts of the direct wage related costs for FICA at 7.65%, pension, overtime, etc. One district indicated it expected a 1-2 % increase in wages for hourly employees; while another district indicated it expected a 5% increase in wages for non-certified salaries.

#### Other Comments

1. Employees currently making above minimum wage would demand and potentially receive equal percentage adjustments (domino effect)
2. Need to increase student's school lunch prices to cover wage increases
3. Reductions in force may result
4. Impact on wage garnishments. Currently the threshold for garnishment is \$405 per week. If the minimum wage increases, so will the garnishment threshold.
5. Many student worker positions would be eliminated. Many students work for the experience and the actual wage is not the driving force.
6. Social security, pension and overtime calculations tied to wages would also increase
7. Contractors/Vendors who have to pay higher minimum wage would eventually pass those costs onto the schools to cover their increased operating costs
8. Expected deficits in School Lunch programs.

We provide this information so the Committee understands that there are serious unintended consequences to these proposed bills. For many school districts, these proposals would represent significant unfunded mandates. Consequently, the state should provide funding to help implement such proposals if they become law.

We thank the Committee for the opportunity to comment on this important matter.