Bill No.: HB-7191  
Title: AN ACT INCREASING THE MINIMUM WAGE.  
Vote Date: 3/14/2019  
Vote Action: Joint Favorable  
PH Date: 3/7/2019  
File No.: 195

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SPONSORS OF BILL:
Governor Lamont

REASONS FOR BILL:
CT’s minimum wage earners are still not earning enough for their work. The bill would raise the current minimum wage from $10.10 to $11.25 on January 1st, 2020; $12.50 on January 1st, 2021; $13.75 on January 1st, 2022; and $15.00 on January 1st, 2023. Also, beginning in 2024, this legislation would require any future wage increases be based on the federal Employment Cost Index. The bill would also increase the employer’s share for hospitality and restaurant workers as this does not change current tip credit thresholds. Lastly, the bill would change the training wage from 85% to 75%. These new requirements and provisions would create a fairer wage for CT workers.

RESPONSE FROM ADMINISTRATION/AGENCY:

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.

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.
NATURE AND SOURCES OF SUPPORT:

Senator 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 – 11th Senate District: 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.

Representative Ezequiel Santiago- 130th Assembly District: CT must do better to fight for the livelihood of its low wage workers. He represents the City of Bridgeport and the average household income is $29,600 which is significantly lower than both the overall median income for the city and CT. Siting the Economic Policy Institute’s research, a minimum wage increase would impact African American and Hispanic workers more than any other worker – that equates to about 45% of CT’s workforce directly benefitting from this policy. Raising the wage will increase productivity, boost morale among workers, and decrease worker turnover.

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 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.

Beverley Brakeman, Director of United Auto Workers Region 9A: Stated that the current $10.10 an hour rate is not enough to support an adult, nor a family in CT. However, this 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.

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. Concerned with the expansion of subminimum training wage – workers can lose up to $1,900 under this proposal.

**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.

**Richard Grimes:** Homelessness is a significant problem in the U.S. that may directly 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.

**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.

**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. Asks that this bill be amended to remove the expanded subminimum training wage and replace the use of the Economic Cost Index with the Consumer Price Index.

**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. Asks that this bill be amended to remove the expanded subminimum training wage and replace the use of the Economic Cost Index with the Consumer Price Index

**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.

**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. Suggests amending the expanded subminimum training wage as outlined in this bill.

**NATURE AND SOURCES OF OPPOSITION:**

**Frida Avila, Valeria Chavez, Lizet Garcia, Natalie Ochoa, Joan Perez, & Casey Van, Mayor’s Youth Leadership Council of Stamford High School:** Opposed to the bill as it negatively impacts young people like themselves. They explained that they and many of their peers work up to 25 hours a week and that under this proposal, they would be paid at 75% of the fair minimum wage which equates to $7.25 an hour. Also stated that many young people are becoming providers for their family. If they are not able to earn at least a full minimum wage they will fall further behind in earning money to support themselves and their families. They suggest eliminating the training wage and new standards that are proposed for young workers in this bill.

**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.

**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.

**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.

**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.

**Scott Dolch, Executive Director of CT Restaurant Association & Jay Dumond, Owner of City Stream Brewery:** 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.

**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. However, appreciates the language provided in this bill to strengthen the state’s training wage.

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.

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.

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.
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.

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.

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 successfully implement the provisions of this bill and similar legislation, 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 or 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.

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.

Reported by: Danielle Palladino  Date: 4/16/2019