



Testimony of

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Labor & Public Employees Committee
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***SB 1177 An Act Concerning One Fair Wage
HB 6859 An Act Concerning Predictable Scheduling
SB 1178 An Act Expanding Connecticut Paid Sick Days***

Good afternoon, Senator Kushner, Representative Sanchez and members of the Labor & Public Employees Committee. My name is Shellye Davis, and I am proud to serve as the Executive Vice President of the Connecticut AFL-CIO, a federation of hundreds of local unions representing almost 250,000 active and retired workers in the private sector, public sector, and building trades. Our members live and work in every city and town in our state and reflect the diversity that makes Connecticut great.

SB 1177 An Act Concerning One Fair Wage – SUPPORT

The federal Fair Labor Standards Act (FLSA) passed in 1938 improved wages and working conditions for millions of workers, but it was discriminatory from the outset. Among those excluded were agricultural workers and domestic workers. These mostly women, Black, and Brown workers were intentionally omitted to preserve a system in which employers could profit from racist and gender exploitation. The FLSA also allows employers to pay individuals whose earning capacity has been deemed “impaired by age or physical or mental deficiency or injury” less than the minimum wage.

Connecticut’s wage laws continue to embrace policies that propagate racism, ageism, ableism and gender bias. Today, the minimum wage is \$14 per hour, but our minimum wage law allows employers to pay a subminimum wage to:

- **Learners, beginners, and people under age 18** (85% of the minimum wage for the first 200 hours of employment);
- **Agricultural employees between ages 14 and 18** (70% of the minimum wage if employers did not employ at least eight workers at the same time during the previous calendar year);
- **Employees with “physical or mental deficiency or injury”** (The DOL Commissioner may issue a special license authorizing subminimum wages to be paid); and

- **Servers and bartenders** (\$6.38 and \$8.23 per hour, respectively);

The overwhelming majority of workers earning a subminimum wage in Connecticut are tipped workers. Approximately 70,000 tipped workers are employed in Connecticut’s restaurant and hospitality industry. They are 70% women and 36% workers of color.

It’s important to remember that working for tips is a legacy of slavery. After the Emancipation and the Civil War, employers, largely in the hospitality sector, looked for ways to benefit from the work of formerly enslaved persons without having to pay them. They were hired in hotels, restaurants, railway stations and in other service related enterprises, but were not paid a wage. They worked for tips. This practice cemented a racial stereotype in service jobs, in which workers must please both customer and employer to earn anything at all.¹ Several states sought to end tipping in the early 1900s, often in recognition of its racist roots. But the restaurant industry fought back and tipped workers were excluded from the FLSA.

Employers are supposed to pay the difference if the tips workers earn don’t bring their hourly wage up to the full minimum wage. But too often that law is not enforced. Connecticut’s Department of Labor is so understaffed that it posts a notice on its Wage and Workforce Standards Division website:

“Due to the high volume of wage and workplace standards claims actively pending and/or under investigation, we are currently 4-6 months behind the assignment of new claims.”

All the while, the restaurant industry continues to lobby to uphold this two-tiered pay system. Just last month, a *New York Times* investigative report found that the National Restaurant Association and its state affiliates collected fees from 3.6 million tipped workers for required safety trainings and used those funds, more than \$25 million, to fight increases to the minimum wage and subminimum wage.²

We’ve seen their power on display in Connecticut, intent on preserving their ability to profit on the exploitation of workers. Before October 1, 2019, the subminimum wage for tipped workers was a percentage of the full minimum wage. When legislation gradually increasing the minimum wage to \$15 per hour by 2023 was passed, the subminimum wage for tipped workers was delinked from the minimum wage because of heavy lobbying from the Connecticut Restaurant Association. As a result, the subminimum wage for tipped workers has been frozen since 2017, *providing employers with a significant discount*. The tipped wage for servers remains \$6.38 and the tipped wage for bartenders remains \$8.23.

If the subminimum wages for servers and bartenders had remained linked to the full minimum wage as it increased, they would have gone up accordingly:

Year	Minimum Wage	Actual Subminimum Wage for Servers	Actual % of Minimum Wage	Subminimum Wage for Servers if it remained	% of Minimum Wage if it	Difference from \$6.38 (Employer)
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¹ <https://www.politico.com/magazine/story/2019/07/17/william-barber-tipping-racist-past-227361/>

² <https://www.nytimes.com/2023/01/17/us/politics/restaurant-workers-wages-lobbying.html>

				linked to the Minimum Wage	remained linked	Hourly Savings Per Employee)
2019	\$10.10	\$6.38	63.2 %	\$6.38	63.2%	N/A
2020	\$11.00	\$6.38	58%	\$6.95	63.2%	\$0.57
2021	\$12.00	\$6.38	53.2%	\$7.58	63.2%	\$1.20
2022	\$13.00	\$6.38	49.1%	\$8.22	63.2%	\$1.84
2023	\$14.00	\$6.38	45.6%	\$8.85	63.2%	\$2.47
6/1/23	\$15.00	\$6.38	42.5%	\$9.48	63.2%	\$3.10
6/1/24	\$15.00 + ECI	\$6.38	TBD	TBD	63.2%	TBD

Year	Minimum Wage	Actual Subminimum Wage for Bartenders	Actual % of Subminimum Wage	Subminimum Wage for Bartenders if it remained linked to the Minimum Wage	% of Minimum Wage if it remained linked	Difference from \$8.23 (Employer Hourly Savings Per Employee)
2019	\$10.10	\$8.23	81.5%	\$8.23	81.5%	N/A
2020	\$11.00	\$8.97	74.8%	\$8.97	81.5%	\$0.74
2021	\$12.00	\$9.78	68.5%	\$9.78	81.5%	\$1.55
2022	\$13.00	\$10.60	63.3%	\$10.60	81.5%	\$2.37
2023	\$14.00	\$11.41	58.8%	\$11.41	81.5%	\$3.18
6/1/23	\$15.00	\$12.23	54.8%	\$12.23	81.5%	\$4.00
6/1/24	\$15.00 + ECI	TBD	TBD	TBD	81.5%	TBD

The Connecticut Restaurant Association will likely testify that eliminating the subminimum wage will put their member restaurants out of business. They will tell us they are struggling to recover from the pandemic but passing SB 1177 will force them to close their doors. **They probably won't point out that their 2019 lobbying efforts saved them \$3.10 per employee, per hour for every server they employ and \$4.00 for per employee, per hour for every bartender they employ.** The pandemic didn't impact the industry until March 2020.

They might not also mention that Connecticut taxpayers have provided over \$ 1 billion in financial assistance to the restaurant industry since the pandemic:

- 5,563 Connecticut restaurants received **Paycheck Protection Program (PPP)** loans, totaling **\$684,128,171** with an average loan amount of \$122,978. 5,388 (96.9%) of those loans **have been forgiven.**

- 1,302 Connecticut restaurants received **Restaurant Revitalization Fund Grants**, totaling **\$300,945,420**. The average grant amount was \$231,141.
- 4,660 restaurants were allowed to keep more than **\$9,325,235** of the sales tax they collected during one of four designated weeks in 2021 or 2022 in the **Sales Tax Relief for Sellers of Meals Program**. The average grant was \$2,001.
- 1,485 Connecticut restaurants received **Hospitality Industry Support Grants** totaling **\$30,000,000** in ARPA funds. The average grant amount was \$19,123.
- 272 Connecticut restaurants and food & beverage businesses received 18-month 0% interest **Connecticut Recovery Bridge Loans** totaling **\$5,637,200**. The average loan amount was \$20,725.

This body has been held hostage long enough by the threats and intimidations of the restaurant industry. They have bullied their way to advantages that no other industry receives. It's time that they play by the same rules all other employers must follow.

SB 1177 ends the practice of subminimum wages, requiring all employers to pay one fair minimum wage to all types of workers. Seven other states (California, Washington, Minnesota, Alaska, Oregon, Nevada, and Montana) and the District of Columbia already do this. It's time for Connecticut to join them. I urge the Committee to close this long and painful chapter of discrimination and pass SB 1177.

HB 6859 An Act Concerning Predictable Scheduling – SUPPORT

All workers are entitled to good, stable jobs that pay a living wage and create a sense of pride and dignity. The anxiety, fear and exploitation that hundreds of thousands of low wage hourly workers, predominantly women and people of color, face daily is inexcusable. 77% of Connecticut's Latinx workers are hourly and 76% of Connecticut's Black workers are hourly, while 52% of Connecticut's white workers are hourly. 66% have to maintain open availability without any guarantee of pay. The poverty wages they earn due to unpredictable work schedules must be addressed in order to resolve the huge economic inequities that exist in Connecticut.

Workers should not be faced with the inability to schedule doctor appointments or to further their education due to unknown work schedules. They should not have to scramble for childcare due to last minute scheduling or mandated extended hours. They should be able to budget their income and determine their transportation needs in advance of their weekly schedules. These benefits are taken for granted by so many, but for many others, these stressful circumstances are presented frequently creating anxiety, instability and greater wage inequality.

HB 6859 will require employers who employ more than 500 workers globally, who are part of a restaurant with at least 30 locations worldwide, or who operate as a franchise that is part of a network with at least 500 employees in the retail, food service, hospitality and long-term health care industries

to offer schedules in advance, in consultation with employees, and compensate workers if their schedules are changed without sufficient notice. Jobs should provide people with a sense of stability and opportunity in order to become self-reliant. They should not be a source of stress and uncertainty when it comes to paying bills and taking care of their families. With predictable scheduling, budgeting income and time becomes more manageable which, in turn, promotes stability, economic opportunity and greater productivity.

We urge the Committee to support HB 6859. Ensuring predictable scheduling will result in greater economic opportunity, increased family stability and a workforce that feels respected and is more productive.

Thank you for the opportunity to testify.

SB 1178 An Act Expanding Connecticut Paid Sick Days – SUPPORT

Connecticut led the nation in 2011 when it passed the nation's first paid sick days law. It laid a foundation to address disparities faced most often by low-wage workers, the majority of whom are women and workers of color. Now it's time to revisit the law and expand it to include all workers.

Women and workers of color are overrepresented in industries that do not provide paid sick leave and are far more likely to lack access to the benefit than white workers. This gap has proven even more dangerous and harmful during the pandemic as these same workers are overrepresented in frontline jobs. Deemed essential by Governor Lamont's executive order and long before PPE and vaccines were widely available, they continued to care for patients, stock grocery store shelves, operate transit systems and care for children. They performed their jobs under difficult circumstances and in extremely dangerous conditions with enhanced exposure to COVID-19. Yet many could not afford to take time off if they got sick because they didn't have access to paid leave until it was provided temporarily in the federal CARES Act. SB 1178 would protect workers in situations like this, reducing inequality in access to paid sick leave and creating economic justice for all workers.

SB 1178 expands the paid sick leave to cover all workers, regardless of the size of their employer or the industry in which they work. This will ensure domestic workers are also covered, giving them the peace of mind that they won't be forced to choose between taking care of themselves and providing for their families.

SB 1178 also increases the number of hours employees can accrue from 40 hours to 80 hours per year, eliminates the waiting period and hourly requirement that adversely impacts many part-time workers, and expands the types of family members to align with Connecticut's paid family and medical leave law. These changes allow workers to use paid sick time to care for a child of any age and their chosen family members and recognize their need to use paid sick time when their workplace or child's school is closed for public health emergencies.

Without paid sick days, workers are forced to either go to work sick or miss their paychecks and, in some cases, lose their job entirely. We urge the Committee to support this bill.