

Legislative History for Connecticut Act

Public Act: 00-144
Bill Number: 5160
Senate Pages: 2038-2040 3
House Pages: 3172-3273 102
Committee: Labor: 143-145, 177-183, 184, 186-187, 196-198, 200-201, 202-203, 207, 208-210, 211-212, 213-216, 228-229, 234, 239, 311, 312, 402-407, 409, 415-416 45

Page Total: 150

Transcripts from the Joint Standing Committee Public Hearing(s) and/or Senate
and House of Representatives Proceedings

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CONNECTICUT
GEN. ASSEMBLY
SENATE

PROCEEDINGS
2000

VOL. 43
PART 6
1733-2082

002038

12

pat

Senate

Monday, May 1, 2000

Senator Handley.

SEN. HANDLEY:

Madam President, I would ask that this be passed temporarily.

THE CHAIR:

This item will be passed temporarily. Ladies and gentlemen, the Chair would like to take this moment, first to say that I know that everybody's been waiting around for a while today. Patience is very thin. Tempers are a little bit hot under the collar.

Two things. One, it is no excuse for bad manners and for talking too much and too loudly in the Chamber.

Second, to our guests who are in the gallery, please turn your cell phones off. If another one goes off, I am going to ask the Capitol Police to eject you from the Chamber.

Mr. Clerk.

THE CLERK:

Turning to the Calendar, Calendar Page 4, Calendar 495, Files 36, 610 and 664, Substitute for HB5160 An Act Increasing The Minimum Wage, as amended by House Amendment Schedule "A". Favorable Report of the Committees on Labor, Planning and Development and Appropriations.

THE CHAIR:

002039

13

pat

Senate

Monday, May 1, 2000

Senator Prague.

SEN. PRAGUE:

Thank you, Madam President. Madam President, I move the Joint Committee's Favorable Report and passage of the bill in concurrence with the House.

THE CHAIR:

The question is on passage in concurrence with the House. Will you remark?

SEN. PRAGUE:

Madam President, what the bill does, is to increase the minimum wage which is now at \$6.15 an hour to \$6.40 an hour as of the first of January, 2001 and then increases the minimum wage to \$6.70 an hour as of January 1, 2002.

It allows 15 year olds to work in retail stores on Saturday during the school year. Currently, 15 year olds are barred from doing that and can only work during vacation. But this bill will allow them to work in retail food stores on any Saturday during the year.

Madam President, with the cost of living increasing, it is important that we allow the minimum wage to go up so that we can offer people a little more in their paycheck and allow them to earn enough so that they are above the poverty level.

I urge passage of this bill.

pat

002040
14

Senate

Monday, May 1, 2000

THE CHAIR:

The question is on passage. Will you remark further? Will you remark further? If not, would the Clerk please call the roll, announce a roll call vote. The machine will be opened.

THE CLERK:

An immediate roll call has been ordered in the Senate. Will all Senators please return to the Chamber.

An immediate roll call has been ordered in the Senate. Will all Senators please return to the Chamber.

THE CHAIR:

Have all members voted? If all members have voted, the machine will be locked. The Clerk please announce the tally.

THE CLERK:

Motion is on passage of HB5160 as amended.

Total number voting, 35. Those voting, "yea".
Correction, those voting, 36. Those voting "yea", 27;
those voting "nay", 9. Those absent and not voting, 0.

THE CHAIR:

The bill is passed.

THE CLERK:

Calendar 497, File 221, HB5610 An Act Concerning
The Protection Of Children Being Transported To School.
Favorable Report of the Committees on Judiciary,

H-828

CONNECTICUT
GEN. ASSEMBLY
HOUSE

PROCEEDINGS
2000

VOL. 43
PART 10
3068-3423

003172

kmr

94

House of Representatives

Monday, April 24, 2000

to the call of the Calendar. Will the Clerk please call Calendar 96.

CLERK:

On page 20, Calendar 96, substitute for HB5160, AN ACT INCREASING THE MINIMUM WAGE. Favorable report of the Committee on Appropriations.

DEP. SPEAKER CURREY:

Donovan of the 84th please proceed.

REP. DONOVAN: (84th)

Good afternoon Madam Speaker. Madam Speaker, I move acceptance of the Joint Committee's favorable report and passage of the bill.

DEP. SPEAKER CURREY:

The question before us is on acceptance and passage, please proceed sir.

REP. DONOVAN: (84th)

Thank you Madam Speaker. Madam Speaker, this bill deals with increasing the state's minimum wage. I believe when the state first set a minimum wage it reflected a value in our society that work is rewarding and that the lowest wage should be sufficient for our living needs, our basic needs, and yet serve as an incentive to work more, to earn more and to learn more.

What happens when that wage, that minimum wage is too low? Currently it's \$6.15, or \$12,700 per year. People

kmr

95

003173

House of Representatives

Monday, April 24, 2000

earning minimum wage can't afford housing, can't afford health care, and can't afford the time to further their education or training.

A recent report authorized by state law and prepared for the state of Connecticut calculated a self sufficiency wage, a standard for Connecticut. It mentions how much income is needed for someone to be independent, to meet their basic needs without public or private assistance. Using a formula they determined that the minimum does not meet self sufficiency. It confirms what everybody knows, you can't live on minimum wage.

They calculated a family of one adult and one infant living in the Stamford/Norwalk region needs to earn \$19.00 a hour. And a family of two adults and one infant in Torrington needs to earn \$8.23 per adult. In every example our current minimum wage does not meet basic needs, so it's time to make adjustments. It's time in our time of prosperity to look at our lowest paid workers and say that they deserve a wage and treat our lowest paid workers with respect for the work that they do. Madam Speaker, the Clerk has an amendment, LCO 4216, I ask that the Clerk please call and I be allowed to summarize.

DEP. SPEAKER CURREY:

003174

kmr

96

House of Representatives

Monday, April 24, 2000

Will the Clerk please call LCO 4216 designated House "A."

CLERK:

LCO 4216 House "A" offered by Representative
Donovan.

DEP. SPEAKER CURREY:

Representative Donovan.

REP. DONOVAN: (84th)

Thank you Madam Speaker. Madam Speaker, this, the amendment certainly changes the underlying bill in several ways. One is the original bill called for an increase of sixty cents on January 1, 2001. The amendment before us breaks the increase into two increments. One is a twenty-five cent increase starting January 1, 2001 and a thirty cent increase on January 1, 2002. Also the amendment freezes the tip allowance for waiters and waitresses at the current rate of \$4.74 for those two years, 2001 and 2002. It also freezes the minimum wage for bartenders receiving tips at the current minimum wage of \$6.15 for those two years as well. And finally Madam Speaker, the amendment expands working opportunities for 15 year-olds. Currently 15 year-olds can work as baggers during the summer and school vacations. The amendment before us allows 15 year-olds to bag and stock shelves on Saturdays during

003175

kmr

97

House of Representatives

Monday, April 24, 2000

the school year, Saturdays only. Madam Speaker, I move adoption.

DEP. SPEAKER CURREY:

And you moved adoption? The question before us is on adoption, would you care to remark further?

Representative Powers of the 151st.

REP. POWERS: (151st)

Thank you Madam Speaker. A question through you to the proponent of the amendment please.

DEP. SPEAKER CURREY:

Frame your question ma'am.

REP. POWERS: (151st)

Thank you Madam Speaker. We're just looking at this amendment, we just recently got it. Why are we freezing those who receive tips? Through you Madam Speaker.

DEP. SPEAKER CURREY:

Representative Donovan.

REP. DONOVAN: (84th)

Thank you Madam Speaker. Madam Speaker, we heard testimony in the Committee from restaurant owners when combined with tips their employees certainly make more than the minimum wage. So current language for employers of waiters and waitresses to pay less than minimum wage knowing that the minimum wage with tips

003176

kmr

98

House of Representatives

Monday, April 24, 2000

will reach the minimum wage.

And under this amendment, should someone -- a waiter or waitress -- fall below minimum wage with tip, they would still receive minimum wage. This amendment just freezes them for two years, because those individuals will still be receiving with tips the new minimum wage as proposed.

DEP. SPEAKER CURREY:

Representative Powers.

REP. POWERS: (151st)

Thank you Madam Speaker. Through you again to continue on that. You refer to Fairfield County and the high cost of living in say Stamford or one of the other towns. Don't, I'm just concerned that we're discriminating against this group of individuals, I guess waiters, waitresses and bartenders, because in fact freezing them, I'm not sure that in fact you're not discriminating against those folks who practice their craft in Fairfield County. Through you Madam Speaker.

DEP. SPEAKER CURREY:

Representative Donovan.

REP. DONOVAN: (84th)

Madam Speaker, through you. It was, certainly those individuals will receive the minimum wage the increases in minimum wage. This just holds the tip

008177

kmr

99

House of Representatives

Monday, April 24, 2000

allowance at the current rate. So if the individuals through tips will certainly be making -- my understanding in that area -- will certainly be making far more than the minimum wage. Through you Madam Speaker.

DEP. SPEAKER CURREY:

Representative Powers.

REP. POWERS: (151st)

Thank you Madam Speaker. I'm not sure that I agree with the gentleman, having children who do this in the summertime and knowing what they come home with in tip.

It usually doesn't work quite that way. However, I'd like to move on to the section where we're expanding the work for 15 year-olds during the school year. Through you Madam Speaker, why are we doing this? Through you.

DEP. SPEAKER CURREY:

Representative Donovan.

REP. DONOVAN: (84th)

Through you Madam Speaker. There was again, in our committee there was talk of allowing 15 year-olds to work at various places. At one time 15 year-olds were allowed to work on weekends at food stores. And in this tight economy, well tight employer/employee economy, the agreement we came to was we would allow minors to work - - 15 year-olds -- to work only that one day. We don't

kmr

100

003178

House of Representatives

Monday, April 24, 2000

want to jeopardize their school work. We don't want them tired on Friday and we didn't want them tired on Monday so we held them to Saturday. Through you Madam Speaker.

DEP. SPEAKER CURREY:

Representative Powers.

REP. POWERS: (151st)

Thank you Madam Speaker. I understand what you're saying. However for those of us on the Education Committee, we've certainly heard the flip side of that.

Which is that as we have increased our requirements for youngsters in middle school and high school that in fact, they need to spend more time on homework. In fact a number of school districts have instituted Saturday classes, whether mandatory or voluntary.

I'm reading this, and I saying "Woah" this just flies directly in the face of what we've been discussing for the last couple of years in the Education Committee in terms of what we're asking our young folks to do. Through you Madam Speaker, based on that I would think this bill needs to go to Education. Through you Madam Speaker.

DEP. SPEAKER CURREY:

Representative Donovan.

REP. DONOVAN: (84th)

003179

kmr

101

House of Representatives

Monday, April 24, 2000

Madam Speaker, I don't believe it does, it deals with minors working. Through you Madam Speaker.

DEP. SPEAKER CURREY:

Representative Powers you have the floor.

REP. POWERS: (151st)

Thank you Madam Speaker. But these are the minors of school age and we're delineating when and when they can't and their school age. I'm very concerned that we are flying in the face of what is accepted understanding and what our goals are for education for our youngsters.

Through you Madam Speaker.

DEP. SPEAKER CURREY:

Representative Donovan.

REP. DONOVAN: (84th)

Thank you Madam Speaker. Madam Speaker I certainly, as the Representative would know I'm certainly an advocate of students studying and I think that's one of the main goals, but we do allow 15 year-olds to work and this is a slight expansion. Madam Speaker I ask that when the vote be taken it be taken by roll.

REP. WARD: (86th)

Point of order Madam Speaker. I believe he was answering a question and doesn't have the floor and he can't ask for a roll call unless he has the floor Madam

003180

kmr

102

House of Representatives

Monday, April 24, 2000

Speaker.

DEP. SPEAKER CURREY:

Thank you Representative Ward, point well taken.
Representative Powers you have the floor.

REP. POWERS: (151st)

Thank you Madam Speaker. I understand, I'm certainly not saying that Representative does not support children doing well in school. However we have had increasing testimony in the Education Committee about youngsters who do work too much who come to school, they put their head down on the desk and they miss the first two classes of the day. We've even had discussions in the Education Committee of starting high school later on in the day as opposed to 7:30 or 8:00 o'clock in the morning.

I am just very concerned that this part of the bill does not jive with what we are doing in terms of education and educational theory. Thank you Madam Speaker.

DEP. SPEAKER CURREY:

Would you care to remark further on the bill before us? Representative Donovan.

REP. DONOVAN: (84th)

Thank you Madam Speaker. Madam Speaker, I ask that when the vote be taken it be taken by roll.

003181

kmr

103

House of Representatives

Monday, April 24, 2000

DEP. SPEAKER CURREY:

All those in favor of a roll call please signify by saying aye.

REPRESENTATIVES:

Aye.

DEP. SPEAKER CURREY:

The twenty percent rule has been met. The vote will be taken by roll call. Representative Cafero of the 142nd.

REP. CAFERO: (142nd)

Thank you Madam Speaker. Madam Speaker a couple of questions through you to the proponent of the amendment.

DEP. SPEAKER CURREY:

Frame your question sir.

REP. CAFERO: (142nd)

Thank you Madam Speaker. Representative Donovan, I notice as you describe that this amendment is different from the underlying bill in that it raises the minimum wage by sixty cents I believe but it does so over a two year period, is that correct? Through you Madam Speaker.

DEP. SPEAKER CURREY:

Representative Donovan.

REP. DONOVAN: (84th)

Through you Madam Speaker. Actually Representative

kmr

104

House of Representatives

Monday, April 24, 2000

it raises it fifty-five cents over a two year period.

DEP. SPEAKER CURREY:

Representative Cafero.

REP. CAFERO: (142nd)

Thank you Madam Speaker. Through you again to Representative Donovan. I'm wondering if you could explain to the Chamber the rationale as to why -- I guess initially -- it was believed the best way to do this was in one fell swoop and now in two years, what is the reason for the change? Through you Madam Speaker.

DEP. SPEAKER CURREY:

Representative Donovan.

REP. DONOVAN: (84th)

Through you Madam Speaker, I compromised. Certainly we're looking at our neighboring states. Massachusetts raised their minimum wage to \$6.75 effective July 1, 2001. So our state, our lowest paid workers will be paid less than the workers in Massachusetts. Also Washington state just had a referendum where they raised their minimum wage to \$6.50 and added a provision that the minimum wage be adjusted for inflation.

So the bill that came out of our committee was set at \$6.75, we felt it certainly matched Massachusetts and actually reflected what was voted on by the citizens of

003183

kmr

105

House of Representatives

Monday, April 24, 2000

Washington state. So I thought that was fair, \$6.75. In talking to others, in talking to others people on both sides of the aisle people felt that maybe that was too much at one jump, it was agreed to by various people, people in the industry as well that it would be more appropriate to phase it in over a couple of years.

That's why we broke it to twenty-five cents this year, and thirty again. Well twenty-five next year and thirty again the year after that. Through you Madam Speaker.

DEP. SPEAKER CURREY:

Representative Cafero.

REP. CAFERO: (142nd)

Thank you Madam Speaker. Again, through you. Representative Donovan, for those who were proponents of phasing it in, what was their rationale as to why they should phase it in over a two year period? Through you Madam Speaker.

DEP. SPEAKER CURREY:

Representative Donovan.

REP. DONOVAN: (84th)

I can't speak much for them, I was personally for \$6.75, through you Madam Speaker. I certainly can't give people's other argument. But they just felt, some people felt it would be more appropriate. Through you Madam Speaker.

003184

kmr

106

House of Representatives

Monday, April 24, 2000

DEP. SPEAKER CURREY:

Representative Cafero.

REP. CAFERO: (142nd)

Thank you Madam Speaker. And Representative Donovan, again through you Madam Speaker, I'm saying this and I truly do not know how I'm going to end up voting on the bill. I'm trying to understand, unfortunately I do not serve on the Labor Committee -- or maybe fortunately I do not serve on the Labor Committee -- but I'm trying to understand the rationale behind it. And I realize that might not have been your position but in your bringing out the amendment you said you compromised.

I presume there must have been some reasons that they said it would be better or more appropriate -- your words -- to phase it in over two years and I guess I'm trying to understand why that was the case. Is that beneficial to the economy in general? To the worker individually, to the employers who are going to pay this? The rationale behind doing it.

I mean, if we're going to raise it to \$6.75 why would we not do it in one swoop, why does this amendment divide into two bills? I realize that's not your personal believe, but you did compromise with people who were proponents of that and I guess I'm trying to

kmr

107

003185

House of Representatives

Monday, April 24, 2000

understand their rationale. Through you Madam Speaker.

DEP. SPEAKER CURREY:

Representative Donovan.

REP. DONOVAN: (84th)

Through you Madam Speaker, certainly I don't want to speak for other people who wanted to, you know why they would not agree to \$6.75, but the amendment before us is a result of discussions with people in the a, people who employ people at minimum wage and this was the agreement we came to. Certainly it's not everything I wanted, it certainly is not everything they wanted. But it was a compromise reached between the two parties and certainly I would have supported higher but this was something we could to. Through you Madam Speaker.

DEP. SPEAKER CURREY:

Representative Cafero.

REP. CAFERO: (142nd)

Thank you Madam Speaker. And I thank the gentleman for his answer. I guess, and with due respect to Representative Donovan, in that his was not his position, I guess I'm left to speculate unless I'm enlighten by other members of the Chamber as to why the compromise if you will, was to be over a two year period. I think that the fact that this compromise was reached, accepted and is now before us, really does tell

kmr

108

003186

House of Representatives

Monday, April 24, 2000

both sides of the story.

I think Representative Donovan did a very nice job in explaining why he believes and the proponents of this bill believe, that the minimum wage needs to be raised.

But I think the mere fact that there is a compromise must show that there is a hurt, if you will, a pain a consequence to people, employers, who are paying this increased minimum wage. It is something they must adjust for, something they must have to plan for.

When you are a small shop with say, two or three employees, and your minimum wage is going up fifty-five cents per hour that is something in a two or three person shop or store that is not an insignificant thing and it has to be planned for. And I would assume that that is the reason that we easing into the increase over a two year period.

And I guess I'm not so much complaining about the ease in of the minimum wage increase, and I'm not even questioning the amount of the increase, but I think we have to understand that there is two sides to this story. I think Representative Donovan gave an excellent reasons for why he believes the minimum wage should be increased. However, I do note that he said that for instance in Fairfield County where I come from studies show that minimum wage should be there approximately

kmr

109

003187

House of Representatives

Monday, April 24, 2000

\$19.00 an hour.

Now the question is, do we raise it to \$19.00 an hour? When do we stop? Where do we draw the line? When do you say enough is enough, or this is enough that this economy or small employers can afford. In Fairfield County would we dare regionalize this and say in the county of Fairfield minimum wage shall be \$19.00 an hour and in the county of Litchfield it should be something less than that, etcetera, etcetera? Obviously I don't think we're going to do that. But I think we as legislators have to give serious thought to this issue.

Because it's not just a cut and dry thing. It is very easy for us to say, do you know, you try to live on \$6.15 an hour or \$6.25 an hour, you try to raise a family on \$6.25 an hour. Who can argue that, that is extremely difficult if not impossible to do. But we have to realize that people who are in minimum wage in many cases are supplementing their income.

Or they might not be supporting an entire family on that minimum wage. Or they might be picking up spare change at a second job or somebody working their way through college to pay for books or spending money, etcetera. There are many different reasons people work for minimum wage. I think what we are trying to address when we increase the minimum wage is those people who

kmr

110

003188

House of Representatives

Monday, April 24, 2000

unfortunately must rely on that money to support themselves and a family in this economy.

But I think the mere fact that we're talking about this amendment as a compromise means that we must look at both sides of the story. And there is another side of the story. How many of us growing up, our first jobs worked in a small delicatessen or a small supermarket or maybe when we became a majority age helped out in a small liquor store or whatever. And you were making minimum wage there helping out, making spare change. An increase of this amount can be devastating to some of those shop owners, those mom and pop operations, it could be. We have to keep that in mind.

Madam Speaker, I have another question for the proponent of the amendment if I may through you.

DEP. SPEAKER CURREY:

Certainly sir, frame your question.

REP. CAFERO: (142nd)

Madam Speaker through you to Representative Donovan. Representative Donovan in line 48, or I should say in section 3 of the bill we talk about the prohibitions or limitations if you will on minors being employed. I noticed that in line 51 as you indicated, and explained to Representative Powers, we allow minors to work in a retail food store on any Saturday during

kmr

111

003189

House of Representatives

Monday, April 24, 2000

the week. And I was wondering, obviously there are two days in every weekend -- Saturday and Sunday -- I was wondering why Saturday was chose as opposed to an either or situation or Sunday? Through you Madam Speaker.

DEP. SPEAKER CURREY:

Representative Donovan.

REP. DONOVAN: (84th)

Thank you Madam Speaker. The reason why Saturday was picked, certainly it was my feeling that the work should be limited to a day. And also Saturday as opposed to Sunday does not precede a school day. We wanted it certainly that 15 year-old to have the Sunday free to prepare for the upcoming school week.

DEP. SPEAKER CURREY:

Representative Cafero.

REP. CAFERO: (142nd)

Thank you Madam Speaker. And thank you Representative Donovan. And again I respect the fact that, I know you've used the word I felt and my compromise. I presume you mean it was the committee's consensus that this bill come out and certainly not your individual feelings, I presume knowing you as well as I do that is exactly what you meant. But I have another question. What if this minor is a, his or her religious beliefs prevents her from working on a Saturday and that

003190

kmr

112

House of Representatives

Monday, April 24, 2000

might be their Sabbath? Is there a provision for this minor to work on a Sunday instead of a Saturday?

Through you Madam Speaker.

DEP. SPEAKER CURREY:

Representative Donovan.

REP. DONOVAN: (84th)

Through you Madam Speaker, no there is not.

DEP. SPEAKER CURREY:

Representative Cafero.

REP. CAFERO: (142nd)

There is not, thank you Madam Speaker. Again, I think, though well intended maybe we rushed to judgement here, we are precluding some and there are many who might observe Saturday as their Sabbath. If they are a minor and want to work in a retail food store as many minors do, they cannot work on a Saturday in accordance with this bill from what I understand. Again, Madam Speaker, I have not decided which way I'm going to go on this, I look forward to listening to the rest of the debate.

But I think at the very least the questions that have been asked by several members here should give us pause to think that this is not a no-brainer issue. This is not slam-dunk how could you dare be against increasing the minimum wage? It affects a lot of people

003191

kmr

113

House of Representatives

Monday, April 24, 2000

in a lot of ways. And unfortunately, unfortunately the bill, like many of the bills that we do here, has some flaws in it that can have some unintended, unfair consequences to some people, as I think I've just pointed out. Thank you Madam Speaker. DEP. SPEAKER CURREY:

Representative DelGobbo of the 70th.

REP. DELGOBBO: (70th)

Thank you Madam Speaker. I guess following on Representative Cafero's I guess enjoining us to look at this a little more closely, I find myself in the same position. I as a member of this body who had supported raising the minimum wage last year and here we are once again visiting the issue again.

My impression of the minimum wage in general has always been that it was a method to help insure some basic guarantee of an ability to earn a living wage to support your family and you know, it has as Representative Donovan mentioned not have to rely on other forms of public assistance. And as I'm thinking about this though, and I'm thinking practically my understanding of this economy here today, because it seems as though the proposal is made in response to a good economy. That I'm wondering how many Connecticut families does this really impact if we assume, that in

kmr

114

House of Representatives

Monday, April 24, 2000

fact that's the purpose of this, to help Connecticut's working families. So, through you Madam Speaker, if I may a question to the proponent of the bill.

DEP. SPEAKER CURREY:

Please frame your question sir.

REP. DELGOBBO: (70th)

Thank you Madam Speaker. To the proponent of the bill, not serving on Labor, a very frank question is I'm sure there must have been testimony as to, not the total numbers of those employed currently in Connecticut who earn the minimum wage, but those individuals in Connecticut who are effectively the wage, the family wage earner. Those who count on a minimum wage in order to support their family. What, if there's some number or percentage of Connecticut workforce? Through you Madam Speaker.

DEP. SPEAKER CURREY:

Representative Donovan.

REP. DONOVAN: (84th)

Thank you Madam Speaker. Through you, again the state doesn't keep statistics on minimum, though other entities do try to get information. I certainly find myself when I go shopping and talk to other people I often ask individuals how much they get paid, a story I ran into at Christmas time. I saw a woman who lived in

003193

kmr

115

House of Representatives

Monday, April 24, 2000

my community, she was working very hard in the service area in a retail store, she was calling people up to get them to work, she made sure when the cashier broke down she was there to make sure it was taken care of, she was running the store. I was thrilled to see her doing so well.

I asked her how much she was getting paid, she said she was getting paid the minimum wage and I knew she was the sole bread winner. And then she said it wasn't so bad at Christmas time because she was putting in a lot of hours. But when Christmas rush went down she was knocked to 30 hours or less and harder and harder for her to make ends meet. But I do have figures that one estimate is about 40% of all minimum wage workers are the sole bread winner. So that should give you some idea of what we're talking about as the sole bread winner. And certainly the figures I showed before with the self-sufficiency study.

Even broken down for families of three with two adults and an infant. Even in those cases, with both adults working they need to make more than the current minimum wage to keep that family self sufficient. So certainly sole bread winners, bread winners on the minimum wage it's very tough. With two people working too at minimum wage it could be difficult as well.

kmr

116

003194

House of Representatives

Monday, April 24, 2000

Through you Madam Speaker.

DEP. SPEAKER CURREY:

Representative DelGobbo.

REP. DELGOBBO: (70th)

Thank you Madam Speaker. And I thank the gentleman for his answer. I guess it's a little troubling to me following on Representative Cafero's comments I mean this -- and I do appreciate first of all, I think we all should appreciate, in some regards that was anecdotal speaking to an individual, that's real life, we should take that into account, we all have those types of instances that we run across -- but as Representative Cafero had mentioned this is fundamental public policy with consequences that may be unintended.

Some of those consequences may be that in fact we may be hurting those whom we seek to help. And that's my concern and that's why I would have hoped that an answer would have been more specific not just as a percentage of those minimum wage earners who are the sole bread winner. But how many of Connecticut's workforce, how many minimum wage people who are the workforce are actually earning the minimum wage? I could suggest -- frankly in helping a student friend of mine trying to get a summer job -- and I happened to just yesterday be going through the entire want ad section of the

003195

kmr

117

House of Representatives

Monday, April 24, 2000

Waterbury Republican. There was not a single job through that entire want ads that I saw that was posted at what is a minimum wage. Not a single job. And I have not heard of that.

Now I'm not saying that there are not a good number of Connecticut families or individuals who are making the minimum wage, but it would seem as though in our economy that in fact that is not a substantive issue in Connecticut's economy. I may be proven wrong and I wish that's what the purpose of the question was. But to go a little bit further, I had recalled some discussion or some rumor floating around, that there was the possibility that instead of an exact number change to what minimum wage that perhaps there would be a COLA provision.

So we have a bench mark and that there was a proposal to enact a COLA to the current minimum wage to take care of current inflation. And if I could through you Madam Speaker, ask the proponent of the bill to comment on that matter.

DEP. SPEAKER CURREY:

Representative Donovan.

REP. DONOVAN: (84th)

Thank you, through you Madam Speaker. The original bill did have cost of living adjustment for the minimum

003196

kmr

118

House of Representatives

Monday, April 24, 2000

wage but that is not in the amendment before us.

DEP. SPEAKER CURREY:

Representative DelGobbo.

REP. DELGOBBO: (70th)

Thank you Madam Speaker. And if I could follow that up and ask perhaps the Chairman of Labor could briefly enlighten us as to some of that discussion as to why that proposal was not brought forward and that in fact a specific number a rather significant percentage jump was in fact the proposal that we have before us.

Through you Madam Speaker.

DEP. SPEAKER CURREY:

Representative Donovan.

REP. DONOVAN: (84th)

Madam Speaker, all I can say is the amendment before us, the original bill was at \$6.75, year one with a cost of living built in. The amendment before us phases in a cost increase, I mean a minimum wage increase for two years. At a total at the end of those two years at \$6.70. There's been a change in the underlying bill, the amendment before us is what I'm talking about and that deals with the phase in of the two costs.

Again, as I say Washington state through a referendum voted in a cost of living increase but that

003197

kmr

119

House of Representatives

Monday, April 24, 2000

is not what is before us. Through you Madam Speaker.

DEP. SPEAKER CURREY:

Representative DelGobbo.

REP. DELGOBBO: (70th)

Thank you Madam Speaker. And I particularly appreciates that answer because it actually, it did enlighten me, I was not aware that that COLA was based from the \$6.75 forward. I thought that was from the current rate. There was some discussion earlier regarding expanding the period of time in which minors could, 15 year-old minors could be employed in certain circumstances. It seems to me and if the chairman could elaborate that, that in effect -- and I don't disagree with it -- but I just want to understand perhaps the purpose in that we're in effect expanding the opportunity for somebody of that age group to have that beginning experience of having a job and contributing to the family as well as their own self worth, if in fact that fairly characterizes perhaps some of the discussions during the Labor Committee discussions. Through you Madam Speaker.

DEP. SPEAKER CURREY:

Representative Donovan do you care to elaborate?

REP. DONOVAN: (84th)

Through you Madam Speaker, yes and certainly there

003198

kmr

120

House of Representatives

Monday, April 24, 2000

have been other statistics that showed that young people who are working at the minimum wage many of them also contribute to the family income and they tend to be on the lower end as well. Again, it's a very minor adjustment to current statutes dealing with 15 year-olds working in specified jobs for a very limited period of time. Again, the current law as the amendment would, amend which remains constant is that this is sunsetted for the year 2002. So at that time unless this body acts again, those provisions will no longer be in place.

Through you Madam Speaker.

DEP. SPEAKER CURREY:

Representative DelGobbo.

REP. DELGOBBO: (70th)

Thank you Madam Speaker. I guess my concern here is that -- and particularly based on Representative Donovan's answer -- that there in effect would seem to be two categories, two rationales for people of this age group. First just simply their own extra cash in their pocket and opportunity to work, opportunity to gain all the experience that comes with a job. But also the opportunity to be contributing to their families. And one of my concerns is that my particular appreciation of the market here in Connecticut is that minimum wage earners tend to be specifically that age group, that 15

003199

kmr

121

House of Representatives

Monday, April 24, 2000

to 18 year old group. Those part-time jobs, those young kids looking for that first job.

And in some cases as Representative Donovan pointed out, that this is an important contribution perhaps to their family income. And my concern would be, and this is also somewhat anecdotal, my concern would be is that in raising the minimum wage we're in fact creating an environment in which employers may find it not feasible for themselves to be hiring some of these extra part-time help that they have in the past. That we may in fact be pushing these young kids out of the market, out of the ability to have that experience, and to the underlying purposes of the bill out of the opportunity to help contribute to their family's income.

And that gets, once again, to Representative Cafero's comments that there are consequences to this bill. I don't know that it is exactly the no-brainer that it would appear on the surface, and I also will be listening very closely to the ongoing debate. Thank you Madam Speaker.

DEP. SPEAKER CURREY:

Thank you Representative. Representative Boucher of the 143rd.

REP. BOUCHER: (143rd)

Thank you Madam Speaker. Unlike Representative

003200

kmr

122

House of Representatives

Monday, April 24, 2000

Cafero who has not been on the Labor Committee I can say I have for the last four years and sat through many debates and discussions on the minimum wage. Find myself often being one of the few people that has been regularly voting against this and as such answered a number of media questions as to regards why I would vote against the minimum wage when I seem to be an advocate of individuals that need help. And I have to say that this particular amendment when it was brought up previously got an amazing amount of response from the restaurant industry. And that's because the National Restaurant Association has seen an actual cause of decline in the restaurant industry jobs and a sharp increase in menu prices as a result of some of these increases.

They came and testified at length about the fact that most of these jobs really pay, when you count the tips, many were from \$10 to \$13 per hour. And in fact come nowhere near the minimum wage. In addition in the state of Connecticut in particular we've seen such a number of waves of boom and bust and boom and bust in our economy and we are going to continue I think in that vein when we continue to always put ourselves at the top of the nation in the minimum wage rate. Just when we think we've seen the biggest ones like last year, we

003201

kmr

123

House of Representatives

Monday, April 24, 2000

come back again the following year and I can suspect that probably next year, if I'm on the labor committee again, we're going to see another minimum wage increase.

And that time we'll probably set a different criteria. Maybe fifty cents, maybe a dollar above anywhere else in the country. Because Connecticut prides itself on having some of the highest rates because our labor committee will make sure that we do. Unfortunately it is not a place where we have both sides represented.

It is a place where we have one side represented. The business sector, the restaurant industry is at a loss, because they don't have their views often represented or even viewed and seen as part of the legislation that we see before you today. When people do interview me and they ask me Toni were you one of the few people voting against this minimum wage and then I'll do it again and I'll do it again, because I believe on letting the marketplace decide letting any person at whatever level of every educational or income stream have an ability to have a job. What I will do however, is I'll pay whatever it takes to give people the best education they can get so they're never relegated to a minimum wage job and to see a future for themselves. So I will be voting for this amendment and any other

003202

kmr

124

House of Representatives

Monday, April 24, 2000

amendment on the minimum wage. Thank you.

DEP. SPEAKER CURREY:

Thank you. Representative Donovan.

REP. DONOVAN: (84th)

Yes, Madam Speaker, just to clarify that. The amendment before us, to respond to Representative Boucher's comment.

DEP. SPEAKER CURREY:

Representative Ward.

REP. WARD: (86th)

A parliamentary inquiry as to whether the gentleman -- and I have no objection -- as to whether the gentleman is speaking for a third time, if so I think he needs permission of the Chamber. Again, I would have no objection, but I wanted to be sure that we're following the right procedure.

DEP. SPEAKER CURREY:

I believe that's correct technically when he asked for roll call. Does the Chamber object to the Representative speaking for a third time? Hearing no objection, please proceed sir.

REP. DONOVAN: (84th)

Thank you Madam Speaker. Madam Speaker, again responding to comments of Representative Boucher. Certainly we heard in the Committee the concerns of the

003203

kmr

125

House of Representatives

Monday, April 24, 2000

restaurant industry and actually the amendment before you reflects discussions we had with that industry and to the best of my knowledge they are supporting the amendment before us and the bill soon to be amended.

Thank you Madam Speaker.

DEP. SPEAKER CURREY:

Thank you sir. Representative Sawyer from the 55th.

REP. SAWYER: (55th)

Thank you Madam Speaker. One of the concerns I've had over increasing the minimum hasn't changed. In our recent memory we saw what the state went through trying to catch up to the rest of the country after the recession. Now we're looking at a second increase in the minimum wage in a very short amount of time. I would like to ask Representative Donovan a question please Madam Speaker.

DEP. SPEAKER CURREY:

Please frame your question madam.

REP. SAWYER: (55th)

Sir, what are the, you mentioned the rate in Massachusetts, what are the minimum wage rates in the other contiguous states, New York and Rhode Island.

DEP. SPEAKER CURREY:

Representative Donovan.

003204

kmr

126

House of Representatives

Monday, April 24, 2000

REP. DONOVAN: (84th)

Madam Speaker, I don't have those figures in front of me.

DEP. SPEAKER CURREY:

Representative Sawyer.

REP. SAWYER: (55th)

Would the gentleman happen to have any of the other New England states?

DEP. SPEAKER CURREY:

Representative Donovan.

REP. DONOVAN: (84th)

Through you Madam Speaker, I don't have those figures for other states. I know certainly Connecticut and Massachusetts, through you Madam Speaker.

DEP. SPEAKER CURREY:

Representative Sawyer.

REP. SAWYER: (55th)

Would you know then sir, if you don't have the exact rates, are they the highest in New England?

Through you Madam Speaker.

DEP. SPEAKER CURREY:

Representative Donovan.

REP. DONOVAN: (84th)

Through you Madam Speaker, again I know that Massachusetts' will be higher than ours. And certainly

003205

kmr

127

House of Representatives

Monday, April 24, 2000

were are the highest per capita, one of the highest, we may be the highest per capita state in the union. Maybe Alaska beats us out occasionally, but Connecticut does happen to have the highest per capita.

DEP. SPEAKER CURREY:

Representative Sawyer.

REP. SAWYER: (55th)

If I could just get some clarification.

REP. DONOVAN: (84th)

Actually I have some figures before me.

DEP. SPEAKER CURREY:

Excuse me Representative Sawyer, would you yield the floor to the Representative to answer your question

REP. SAWYER: (55th)

No, could I just rephrase the question please.

DEP. SPEAKER CURREY:

Certainly, please proceed.

REP. SAWYER: (55th)

If you're looking at the highest per capita income that's one question, but in this case in reference to the minimum wage rates that's a different question and we need to look at the competitive situation of the minimum wage rates. So if he does have those rates, that's what I'm interested in. Thank you Madam Speaker.

003206

kmr

128

House of Representatives

Monday, April 24, 2000

DEP. SPEAKER CURREY:

Representative Donovan.

REP. DONOVAN: (84th)

Again, through you Madam Speaker. I do not have every state but I know Rhode Island is currently at \$5.65, Massachusetts is at \$6.00 and know there was something happening in New York, but again Madam Speaker I guess I would say since we have the highest per capita rate and if we have a lower minimum wage that means when you average it all out we're the lowest paid, we have a large number of lower paid workers. Through you Madam Speaker.

DEP. SPEAKER CURREY:

Representative Sawyer.

REP. SAWYER: (55th)

Thank you Madam Speaker. On the instance of certainly looking at the Rhode Island/Connecticut border, which is Eastern Connecticut I feel that a dollar discrepancy in the minimum wage I think would be significant and would put the businesses in Eastern Connecticut at a hardship. If we are looking at a balance overall of the whole state which this applies to I think we have to consider one half of the geographical area very seriously.

Madam Speaker, I think we have the second flaw in

003207

kmr

129

House of Representatives

Monday, April 24, 2000

this particular bill and I have the same concerns that Representative Cafero does when we talk about the 15 year-old working on just a Saturday. Because I do believe that is discriminatory against those young people who have an interest on working on a weekend day but if their Sabbath occurs on a Saturday this makes it impossible. Thank you Madam Speaker.

DEP. SPEAKER CURREY:

Thank you Representative Sawyer. Representative Newton of the 124th.

REP. NEWTON: (124th)

Thank you Madam Speaker. I'd like to rise in support of this amendment. And maybe I'd like to paint just a slighter picture. And that picture is that yes the economy is doing great but we sat on this Chamber and we voted on welfare to work. And we all take credit for shrinking our welfare rolls for people who most likely have to go to some sort of job training in order to move up.

And most of those parents who have moved from welfare to work -- as we call it in this state -- go out to find jobs and work at jobs that pay minimum wages. I can only tell you what I've heard of parents who are trying to do the right thing by what this legislature has set in place. I can tell you that many of them find

003208

kmr

130

House of Representatives

Monday, April 24, 2000

it very difficult to make ends meet.

I know a lot of emphasis is placed on 15 year-olds, but this bill affects more than just 14 and 15 year-old children. It affects the same people that we put off welfare, told them to go out and get a job, we ought to do better. We ought to increase the minimum wage so that those same individuals who have no job training, who are struggling, who are trying to make ends meet. I think this bill will help them. Until they can get their training, until they can move into a secure job in the job market. But there are a lot of those parents that we ourselves voted on legislation. We all take credit for cutting our welfare rolls and we send people out in the market and they can't make it.

We ought to give them an opportunity, give them a chance. This bill give them an opportunity so that they can go out and perform their duties and work and become productive members of society. So all of the other arguments that we've heard why we should do it, when I vote for this bill today, I'm voting for those welfare recipients that we took off the welfare rolls and bragged about doing it, we ought to give them an opportunity. And that's what this bill means. Giving folk an opportunity to make ends meet.

I don't think we're too far behind because the

003209

kmr

131

House of Representatives

Monday, April 24, 2000

federal government is also talking about a minimum wage increase. I think it's the right time. I can only recall two other times that we've done something like this and I think its time has come, so I rise in support of it. Thank you Madam Speaker.

DEP. SPEAKER CURREY:

Thank you sir. Representative Prelli of the 63rd.

REP. PRELLI: (63rd)

Thank you Madam Speaker. Madam Speaker there's some new language in the bill that I really don't understand and I find it hard to ask a question because I think we all know what a bartender is. But through you a question to Representative Donovan. Could you explain to me where bartender is defined in any of the labor statutes? Through you Madam Speaker.

DEP. SPEAKER CURREY:

Representative Donovan.

REP. DONOVAN: (84th)

Through you Madam Speaker, the word bartender is certainly used as to clarify an individual who works in the restaurant industry and the language that deals with the language in the amendment deals with the fact that that bartender is the person who customarily receives gratuities. Through you Madam Speaker.

DEP. SPEAKER CURREY:

003210

kmr

132

House of Representatives

Monday, April 24, 2000

Representative Prelli.

REP. PRELLI: (63rd)

Thank you Madam Speaker. Madam Speaker, is a bartender a person who only mixes drinks, or could it be a waitress who has to go and get glasses of wine? Would that be considered a bartender? Through you Madam Speaker.

DEP. SPEAKER CURREY:

Representative Donovan.

REP. DONOVAN: (84th)

Through you Madam Speaker, a bartender is a person who mixes drink as opposed to a waitress. Through you Madam Speaker.

DEP. SPEAKER CURREY:

Representative Prelli.

REP. PRELLI: (63rd)

Thank you Madam Speaker. Madam Speaker in a lot of the small restaurants around the state they don't have a full time bartender. They have waitresses and they mix all the drinks for the individual. Through you Madam Speaker would that waitress then be considered a bartender?

DEP. SPEAKER CURREY:

Representative Donovan.

REP. DONOVAN: (84th)

kmr

133

003211

House of Representatives

Monday, April 24, 2000

Through you Madam Speaker, no.

DEP. SPEAKER CURREY:

Representative Prelli.

REP. PRELLI: (63rd)

Through you Madam Speaker, if the bartender was working at a bar standing behind the bar mixing drinks, and as part of that somebody sitting at the bar decided to have something to eat, would that bartender now be considered a waitress? Through you Madam Speaker.

DEP. SPEAKER CURREY:

Representative Donovan.

REP. DONOVAN: (84th)

Through you Madam Speaker, no. Thank you Madam Speaker.

DEP. SPEAKER CURREY:

Representative Prelli.

REP. PRELLI: (63rd)

Well, Madam Speaker, I understand the intent and I understand the dialogue here, that's why I'm asking the question. I'm not sure what a bartender is. Because I don't think there are a lot of places that first of all the state of Connecticut it's required if you have a bar or cafe license that you also serve food. In a lot of those the bar tender has to serve food. Some of the food we wouldn't all like to enjoy eating, but they must

003212

kmr

134

House of Representatives

Monday, April 24, 2000

serve the food.

Are they then bartenders? I don't think so I think they would then be classified as waiters or waitresses.

If, in many of the restaurants out my way they also have a liquor permit but they don't have bartender on duty, the waiter or waitress have to serve. We have no definition here. I don't know how many times we're going to have labor cases to decide who is covered and who isn't covered. So I think that's another, as we were talking about flaws in this particular amendment along with the 15 year-old here's another definition that's made. And it's another definition that we don't know exactly how that's defined.

Could it be defined later on? It will probably be defined the first time we have a labor relations case on this and that's where it's going to be defined. I'm not sure I'm ready to vote that way. We've been hearing talk about there's been increase, that this is going to be an increase that it's still going to be lower than Massachusetts but we're going to be higher than New York and Rhode Island and as I look at it -- we have to look at it maybe in a little different way than we might be looking at it.

This is the second time in two years that we've been asked to vote on this, three years, because we'll

go back to '98. And when we look at those increases we're seeing it at more than a 5% increase each year, more than a 5% increase and in fact we're going to up over a dollar an hour in a three year period, in a four year period, excuse me because that'll be next year. That's a 20% increase in a four year period. At a time when we haven't seen other increases that way, including the cost of living, including inflation and a number of issues that don't address that. So why are we looking at it? Are we putting ourselves at an unfair advantage?

I believe we are. Are we seeing some businesses maybe not come into Connecticut because of that?

Not because they're going to be working for minimum wage, but the domino effect of the other wages that will force up. Are we going to see businesses again leaving the state of Connecticut when we've just turned the corner? I think that's the issue we have to try to address here. And where are these people going to be hit the most? I'd like to stand and connect my remarks with Representative Cafero when he talks about why Saturday and not Sunday, are they religious holidays?

I would also like to say that many of us who have had the opportunity to work when we were 15 years of age and it made a difference in our lives and now all of a sudden we're excluding that. I think those are wrong

003214

kmr

136

House of Representatives

Monday, April 24, 2000

steps, I think that's a wrong move. I think we should continue to move forward and vote against this bill.

Thank you Madam Speaker.

DEP. SPEAKER CURREY:

Thank you sir. Representative Tercyak of the 25th.

REP. TERCYAK: (26th)

Thank you Madam Speaker. Madam Speaker I'd like to speak on behalf of the elderly, 60's, 70's and 80's they're still working. And they're working because they have to work. So many of them are widows. And I see them, I see them when I do my shopping at the Stop and Shop and the Big-Y and the Shaws and the other ones. Haven't you noticed this, you folks who come from the urban areas? You folks who come from Waterbury and New Haven and Bridgeport and Stamford and New Britain and so forth, they're there. The baggers are not the children any more. The baggers are the widows living on Social Security and only Social Security.

They're not out begging, they're not out asking us to give them money. They're out there working folks. They've raised their families, they've buried their husbands, they've educated their children, and what's left, Social Security. They were at home, they were at home taking care of the families and now they're on Social Security. Not much, not much, but a few dollars,

003215

kmr

137

House of Representatives

Monday, April 24, 2000

a few dollars to see them through the week, to see them through the month. And perhaps buy an Easter Bunny for one of the grandchildren. I will vote for this rise.

Thank you.

DEP. SPEAKER CURREY:

Thank you sir. Representative Flaherty of the 68th.

REP. FLAHERTY: (68th)

Thank you Madam Speaker. Madam Speaker, I probably will make some comments on the actual rise on the bill, but I do have a couple of questions on the amendment. Particularly the section that applies to 15 year-olds. I listened a little bit in the beginning, Madam Speaker, to Representative Cafero's question. I don't know whether he asked this or not. But if I could ask through you to the Chairman of the Labor Committee, looking at page three of the amendment lines 50 and 51.

Could he explain to the Chamber why we are making the exception to allow minors, only minors in retail food stores to work on Saturdays? Through you Madam Speaker.

DEP. SPEAKER CURREY:

Representative Donovan.

REP. DONOVAN: (84th)

Through you Madam Speaker. Historically, food stores have been the place where 15 year-olds have

kmr

138

House of Representatives

Monday, April 24, 2000

worked in our state. There have been bills that have been sunsetted through the years and the consistent work for 15 year-olds has been in food stores. So that's why this minor exception in increase in work was put in.

Through you Madam Speaker.

DEP. SPEAKER CURREY:

Representative Flaherty.

REP. FLAHERTY: (68th)

Through you Madam Speaker to Representative Donovan. What were the statistics about department stores? Minors or 15 year-olds getting jobs in like K-Mart or Caldor or an Ames? Through you Madam Speaker.

DEP. SPEAKER CURREY:

Representative Donovan.

REP. DONOVAN: (84th)

Through you Madam Speaker, I don't understand the question. Maybe the Representative re --

REP. FLAHERTY: (68th)

Madam Speaker, through you I'm trying to figure out why only food stores? You cited some statistics that show that that's where they seem to gravitate. But I also happen to know from the experience of being one of five kids growing up and in talking to some of the retailers in my town and just happening to shop around town, that there also are a lot of young school kids,

15, well not 15 but 16 employed in department stores. What were the statistics regarding those or other forms of employment? Through you Madam Speaker.

DEP. SPEAKER CURREY:

Representative Donovan.

REP. DONOVAN: (84th)

Again, through you Madam Speaker, I don't have any statistics on 15 year-olds working. I certainly know 16 year-olds work in a lot of different retail stores. Again this is a very, for those people who are not crazy about 15 year-olds working, this is a very minor addition to those working during the school year on Saturdays limiting to a very limited time only on a Saturday. So this is a very limited opportunity for those 15 year-olds. I just say traditionally food stores have been the place where 15 year-olds have worked over the years in Connecticut.

DEP. SPEAKER CURREY:

Representative Flaherty.

REP. FLAHERTY: (68th)

Thank you Madam Speaker. Thank you Representative Donovan. I just to that I'm really trying to find out, I don't really see anything in that to suggest why we're only doing it for retail food stores. Particularly when you consider if you work in a retail food store, unless

003218

kmr

140

House of Representatives

Monday, April 24, 2000

you're 18 there are a lot of places in that store that you can't work. You can't work in the deli, you can't work where I did when I was at least during college and high school which was in the meat department. You can't work in other areas so it seems that yes it is very limited, but the why just doesn't seem to have an answer to my satisfaction.

I don't know whether we, certainly it isn't, I'm sure it's not. Because we care more about that group than we do about others. In fact it seems that in recent times we have -- this goes in the opposite direction that we've gone -- in fact I think we have if memory serves me, limited the amount of time 15 year-olds can work.

One more question that Representative Prelli was trying to get at this, the definition of a waiter. Prompted in my mind the thought that I might not be able to define bartender in the statutes, but I certainly know one when I see one. It still though raises certain questions. I don't know what the effect is, I happen, there's a nice restaurant in my town, I don't know if I'd be endangering the wages of the bartender who works there if I happen to join other people who like to eat at the bar.

I don't know whether at that point that man or

003219

kmr

141

House of Representatives

Monday, April 24, 2000

woman ceases to become a bartender and then becomes a waiter or waitress because they happen to be serving as many places do, food at the bar. So Representative Prelli's question was really just trying to set some parameters here. I understand that in one section there's phases in the increase in the minimum wage increase, the other sections of this seem a little bit non-explainable to me.

There are some other questions concerning education that I've got that I know, that I believe Representative Boughton can get to more strategically than I can. So I'm going to have a little trouble deciding what to do on this amendment. I wish, I guess I wish I had a little more satisfaction in those answers. Thank you Madam Speaker.

DEP. SPEAKER CURREY:

Thank you. Representative Boughton of the 138th)

REP. BOUGHTON: (138th)

Thank you Madam Speaker. In reading this amendment my issues really have nothing to do with the minimum wage. My issues have everything to do with allowing 15 year-olds to work on Saturdays during the school year. Right now, in this state we have a problem with working teens being abused in some ways by their employers, working longer hours than they're supposed to work,

003220

kmr

142

House of Representatives

Monday, April 24, 2000

working school nights, working weekends, sometimes putting in 40, 50, 60 hours a week. The reasons for those abuses are not here. The labor market is very tight, employees need people to work, And it is a problem. It's a problem if you walk into my first period class and you see half the kids are sleeping because they worked until midnight the night before. By taking 15 year olds, and making, letting them work on Saturdays, you've now opened the door to another segment of students.

I know the statute is clear and says only Saturdays. But as we know, the monitoring of this, has a lot to be desired. And unless there is a complaint made by a parent or a guardian or a school because I've complained specifically about particular businesses that are letting students work too long. Nothing happens about it. So that student who works a Saturday, is going to be pressured to work a Sunday, is going to be pressured to work during the week at night and something is going to have to give and of course it's going to be their studies. So I'm concerned about this.

I think if we operated in a vacuum this law makes sense. But the reality is we don't operate in a vacuum.

Because of the tight labor market abuses are made every day. This will affect student's education. It doesn't'

kmr

143

003221

House of Representatives

Monday, April 24, 2000

belong in this bill, I don't know why it's here, it doesn't make any sense at all in terms of the minimum wage. And for that reason Madam Speaker I'll be opposing this. And I ask anybody else in this Chamber who is concerned about this program to also oppose this amendment. Thank you.

DEP. SPEAKER CURREY:

Thank you sir. Representative D'Amelio of the 71st.

REP. D'AMELIO: (71st)

Thank you Madam Speaker. Really I should be rising to support this amendment, being engaged in the restaurant business many years. But I'm not going to do that. I'm going to oppose this amendment and also the entire bill. Because I know the reality of what it is to run a small business. Payroll is just a one part of the expenses for an entire business. This bill will hurt a lot of mom and pop shops out there. A lot of people who are struggling to make it. Even myself I hire minimum wage people, bus personnel. All this will do is not allow me to have that many people employed in that field.

The market place should really dictate what wages are given. I can't hire anyone for minimum wages in certain positions in my business. Years ago dishwashers

003222

kmr

144

House of Representatives

Monday, April 24, 2000

were a minimum wage job, today you can't hire anyone to watch dishes for minimum wage. I think it's a bad bill, it's gonna hurt a lot of small businesses out there. Even though the economy is doing well, there's a lot of people out there struggling. And as I said I think the marketplace should really dictate what the wages are.

Thank you Madam Speaker.

DEP. SPEAKER CURREY:

Thank you sir. Representative Stillman of the 38th.

REP. STILLMAN: (38th)

Thank you Madam Speaker. I rise in support of this amendment and the bill, for a variety of reasons. One of them is that the state just recently received a report that outlines the self sufficiency standards for the state of Connecticut. And that particular report, which will serve as a tool in terms of possible subsidies that people may need. Or if nothing else to direct people as to how they can become self sufficient and support their families. And it's broken down by region. And I know that there was a concern raised about the fact that this could create a hardship in certain parts of the state.

And if you look at the self sufficiency standard which is very comprehensive in regard to the fact that

003223

kmr

145

House of Representatives

Monday, April 24, 2000

we look at not only an adult, but also an adult that has a child to support. Or an adult that has two children, other family configurations. If we look at the northeast region of the state as an example. One person living alone just supporting them selves, needs to earn at least \$6.59 an hour.

So I think the proposal before us is right on target. But that somebody doesn't even have a child to support. And it doesn't need much discretionary in terms of a person having a quality of life. And if you move on to an adult that might have to support three children they need to earn \$20.74 an hour. Now obviously some people are not going to earn that and so they can take advantage of certain child care and health care credits.

If you look at Southeastern Connecticut and the fact that one adult needs to earn \$7.30, well that's pretty close to the target that we're talking about and actually gives them an extra few cents. And this report is really very timely. I'm not going to obviously go through the whole report. But it's very timely in terms of the issue we're discussing today and as we continue to look at moving people from welfare to work into meaningful jobs which employers have, they want to offer to people in our state. We know that we're hearing that

003224

kmr

146

House of Representatives

Monday, April 24, 2000

there's a shortage of people who are well trained and so this particular amendment, excuse me and the underlying bill, certainly are timely.

The other thing I wanted to let you know as a reason as to why I support this bill that as a small business owner I don't have a problem with this raising the minimum wage. If you're a business owner you want to hire the best qualified people you can to a business and so you understand that you have to pay a living wage to have people work for you that are competent enough to do the job and so Madam Speaker I rise in support of this amendment and I ask my colleagues to do the same. Thank you.

DEP. SPEAKER CURREY:

Thank you Madam. Representative Sawyer for the second time.

REP. SAWYER: (55th)

Thank you Madam Speaker. Representative Fahrbach was gracious enough to find the OLR report from March 20th to give me all the other rates we had discussed earlier. In response to what Representative Stillman just said I find that when we are looking at making and keeping ourselves competitive we must look at the surrounding area. We discussed earlier that Rhode Island would be, if this bill passed, difference in the

003225

kmr

147

House of Representatives

Monday, April 24, 2000

minimum wage by \$1.00 an hour. And if we look at New York at \$5.15, we're talking about far more than a dollar difference. If we look just north to New Hampshire that also is at \$5.15 as is the state of Maine. When you average out New England, including New Jersey, and you figure out what the average would be, it came out to \$5.43 an hour. And if you look at our rate of \$6.75 as proposed in this amendment, we will be out of whack by 20% on the average.

Madam Speaker, I just find that there is a threat to the small jobs. Those people in the small shops, if they have to cut back on the number of people that they are able to hire because they have to pay so much more, and I go back to the border wars, we discussed it with the gas tax, and I think here in the interest of Eastern Connecticut and Western Rhode Island we have to talk about a huge discrepancy of \$1.00 an hour. Thank you Madam Speaker.

DEP. SPEAKER CURREY:

Representative Hamzy of the 78th.

REP. HAMZY: (78th)

Thank you Madam Speaker. I rise to pose a few questions to the proponent.

DEP. SPEAKER CURREY:

Please frame your question sir.

003226

kmr

148

House of Representatives

Monday, April 24, 2000

REP. HAMZY: (78th)

Madam Speaker, through you to Representative Donovan. Do we have any information as to what the person, the typical person who works for minimum wage, who that person is? Through you Madam Speaker.

DEP. SPEAKER CURREY:

Representative Donovan.

REP. DONOVAN: (84th)

Through you Madam Speaker. I don't know what a typical person is, they're a working person, I think that's one of the things, they're working. Thank you Madam Speaker.

DEP. SPEAKER CURREY:

Representative Hamzy.

REP. HAMZY: (78th)

Through you Madam Speaker, I'll clarify my question. Is the person typically married? Through you Madam Speaker.

DEP. SPEAKER CURREY:

Representative Donovan.

REP. DONOVAN: (84th)

Through you Madam Speaker, I don't know the answer to that question. I don't if there is a typical minimum wage worker. There's many people, again anecdotally I've run into are working minimum wage and different, I

003227

kmr

149

House of Representatives

Monday, April 24, 2000

just couldn't, I have no basis to answer that question.

Through you Madam Speaker.

DEP. SPEAKER CURREY:

Representative Hamzy.

REP. HAMZY: (78th)

Thank you and through you Madam Speaker. Do you have any evidence or any information as to how long a person typically works for minimum wage? Through you Madam Speaker.

DEP. SPEAKER CURREY:

Representative Donovan.

REP. DONOVAN: (84th)

Through you Madam Speaker, no I do not.

DEP. SPEAKER CURREY:

Representative Hamzy.

REP. HAMZY: (78th)

Through you Madam Speaker, there was a discussion about the process by which this bill was compromised. I just want to ask a couple questions about how the compromise was reached and what reasons were given for drafting this amendment as opposed to the underlying bill. Through you Madam Speaker, what was the, what did the discussions consist of? Through you Madam Speaker.

DEP. SPEAKER CURREY:

Representative Donovan.

003228

kmr

150

House of Representatives

Monday, April 24, 2000

REP. DONOVAN: (84th)

Well Madam Speaker, as with many bills before us, there's a bill that comes from the committee and people talk about it, there's 151 of us here, there's people up in the Senate, there are a lot of voices that put together an amendment. This amendment is actually the result of a lot of discussion with a lot of people about this issue of minimum wage. Through you Madam Speaker.

DEP. SPEAKER CURREY:

Representative Hamzy.

REP. HAMZY: (78th)

Through you Madam Speaker was there an acknowledgement that increasing minimum wage, I think currently it's \$6.15 to \$6.75 in one fell swoop, that that would be an increased burden on certain parties? Through you Madam Speaker.

DEP. SPEAKER CURREY:

Representative Donovan.

REP. DONOVAN: (84th)

Certainly again through you Madam Speaker, there were certain people that felt that that was fine, and others felt that was too much. I know in my city alone there's a convenience store that has a big hand made banner out there "now starting \$7.00" raising the minimum wage to \$6.40 would not be a burden to that

003229

kmr

151

House of Representatives

Monday, April 24, 2000

business, they're looking for people to work. They know they can't get them at \$6.15, they would be willing pay a higher wage. There's another business in town that is sticking to it's guns and says \$6.15, they certainly would want to stay at \$6.15. I think it is interesting though, I was looking at individuals who are on time limited client earnings under TANIF and I was looking in Hartford.

The people that we claim the big success welfare to work, only 23% of those in the Hartford area out of 3,000 are working more than 35 hours and the average for all those workers is \$6.23. So we're telling people to get off welfare, be self sufficient and you can do it all on \$6.23 working less than 40 hours a week, we know the math doesn't work. We know we need to do something.

If we're going to talk the talk about being independent, we better walk the walk and say "hey, this is a value of our state, that working people should be treated fairly, that a minimum wage should reflect the basic needs that people need." And I think it needs to be raised, through you Madam Speaker.

DEP. SPEAKER CURREY:

Representative Hamzy.

REP. HAMZY: (78th)

Thank you Madam Speaker. And I thank

003230

kmr

152

House of Representatives

Monday, April 24, 2000

Representative Donovan for his answers. The only point I guess that I'm trying to determine, and that's why I was asking the questions, is, are people who work for minimum wage are they heads of households who have to support a family? Or are these entry level jobs that people are given an opportunity to enter the labor market, prove themselves, and then hopefully work their way up the ladder to better paying jobs? And that was the gist of my questions to Representative Donovan, because I don't have that information there.

I've heard conflicting reports as to the type of person who works minimum wage, what the minimum wage job is for, and how it's used. And I think it's unfortunate that we don't have that information before us to make what I think would be a better informed decision. In the statistics that Representative Stillman gave for individuals who, what they would need to support themselves, what they would need to earn, I think are informative but it's hard to make the correlation with whether minimum, the increase in minimum wage is going to help those people or whether it's going to hurt those people. And that's the reason I why I was asking the questions I was asking. I'll listen to the rest of this debate and determine how I'm going to vote. Thank you.

DEP. SPEAKER CURREY:

003231

kmr

153

House of Representatives

Monday, April 24, 2000

Representative Geragosian of the 25th

REP. GERAGOSIAN: (25th)

Thank you Madam Speaker. I am, as a Red Sox fan I hate to quote Yogi Bera, 'it seems like deja vu all over again' though is the quote that he had. I've been in the legislature for six years and this proposal has been before us or a similar proposal for about four of the six years. I see the same old arguments dusted off for this debate every time we propose increasing the minimum wage. And for those of you who think this increase is too high, I hear Representative Prelli talking about the increase of 5% and that increment being too high.

I mean originally in 1996 we tried to raise the minimum wage to \$6.06 and it took us about three or four years to get to \$6.15. And the goal there was to raise it to the poverty level. Because as Representative Donovan talked about, if worked 40 hours a week and as we're trying to educate our former welfare recipients, if you work 40 hours a week and play by the rules, you should be compensated in a way that's fair to feed your families.

And that change, range really changed the debate in terms of the state of Connecticut. And as for the argument about the bordering states. I mean I don't know it's going to be uncompetitive to an employer from

003232

kmr

154

House of Representatives

Monday, April 24, 2000

Connecticut versus Rhode Island where they're going to be able to attract better employees by paying more, not lesser employees. People in the restaurant industry need to the same amount of employees no matter what. Restaurants like McDonalds for instance, need the same amount of employees whether the wage is \$5.00 or \$6.00 because they have to feed their customers.

So I strongly support this again, and I thank Representative Donovan for bringing this bill out again.

DEP. SPEAKER CURREY:

Representative Newton from the 124th for the second time.

REP. NEWTON: (124th)

Thank you Madam Speaker. You know I listen to my colleagues talk about other states. And whether we like it or not, whether we like it but it's fact. That Connecticut is the highest per capita in the nation. I costs a lot more to live in the state of Connecticut than I'm sure, Rhode Island and Massachusetts. I was looking at the census for 1998, 9.5% of our residents in the state of Connecticut live below the poverty level. And those are the folks that we have taken off welfare like I said to you before. I remember the debate Representative Geragosian said, it's almost like deja vu. Connecticut is not a cheap place to live.

003233

kmr

155

House of Representatives

Monday, April 24, 2000

And I don't see the argument when the economy is so great. You know, maybe it's me, maybe I've been here too long. But we've never had long debates when we wanted to do tax credits for companies, when we can give billions of dollars away without the blink of an eye, we can rush those things through. But when it comes to an increase in the minimum wage where those people who are trying to pull themselves up by their boot straps, we seem to have the hardest problem to help.

I just hope, that maybe one day this legislature will help those the 9.5% that live below the poverty level, like we help corporations in this state. Because we give a lot of money away to corporations. And we don't argue about that. We give billions of dollars away, we don't argue about that. But when it comes to helping those that we take credit for that we told you have to go out and find a job and these people do what we tell them to do, we ought to be willing to help them also, like we help corporations in this state. So we get, Madam Speaker, I believe we ought to vote for this bill and send the people of the state of Connecticut and those who are trying to do the right thing by getting back into the workforce by giving them a hand. Thank you Madam Speaker.

DEP. SPEAKER CURREY:

003234

kmr

156

House of Representatives

Monday, April 24, 2000

Thank you Representative Newton, I'd like to remind everyone, we are on the amendment and not on the bill. Representative Kirkley-Bey of the 5th.

REP. KIRKLEY-BEY: (5th)

Thank you Madam Speaker. I have some numbers here that I'd like to share with the members of the Chamber.

But before I do that I think I may have an answer to Representative Hamzy's question. In 1956 or 1995 rather or 1996, when we started welfare reform there were 50,000 women receiving welfare. So 100% of the 50,000 were single mothers, so there were just heads-of-holds, so we had 50,000 when we started. The number has decreased significantly, however the number of children in poverty has risen amazingly. So whatever we have done to date to help the women that we're trying to help get off of welfare and that's 100% of 50,000. We have put more of their children at risk and at harm because they have become poorer than they were before we started. I have some statistical data about a hotel that is in Norwich. For a housekeeping position it pays \$6.50, for a dishwasher it pays \$7.00, for the front desk it pays \$7.00 and for a cook it pays \$7.50. If you're an individual you pay \$34.00 a week for insurance, if you're a family you pay \$62.00 a week. There is no money that is taken from your pay with

003235

kmr

157

House of Representatives

Monday, April 24, 2000

regard to pension, there is no contribution from the employer with regard to 401K. The annual pre-tax income is approximately \$10,296 a year.

About two and a half weeks ago they did a piece on TV, and I don't remember which channel, that talked about the average income in the Fairfield County is \$102,000 a year. Saying 50% of the people who live there make more than that and 50% of the people who live there make less than that. With regard to the city of Hartford, I live in, I have a district that has 70% of the people at the time that I took office were on some kind of income, be it senior citizens on Medi Care, senior citizens on Social Security, people who were on SSI and women who were there on welfare.

I would like to invite any one of you who has difficulty understanding why this bill is before us, to please come door knocking with me and to the housing projects and listen to the ranting and raving that I hear from women who have to work two jobs to take care of their children and cannot understand why they can't get a job that gives them enough income to be able to take care of that family.

And yet we will turn around say to her you're not spending enough quality time with your children, but there's no one doing the grocery shopping, there's no

003236

kmr

158

House of Representatives

Monday, April 24, 2000

one washing the clothes, there's no one making sure that the kids are ready for school, this is all on one individual. I know because I lived it, I know because I am a former welfare mother. And I know what it is to spend 24 hours a day seven days a week 365 days, just concentrating on how to survive. And I did it for many years until I was finally able enough to have the help of some friends and family to be able to move myself out of that arena and get into another. It is not, it is not a pleasant task. It is not just to sit and wonder how you will survive from day to day.

When your children had other kids who have nicer things to wear and the best you can offer is K-mart, and something else you want to say for Easter let's go out and do some Easter shopping but you can't afford to buy three children brand new clothes. It gets to be a very sad time and Christmas is a killer and if it were not for some of the welfare agencies that supplied me with toys for my children during those years at Christmas time it would have been a horrible time of the year for me.

And Christmas is the best because it's the birth of my savior Jesus Christ and the giving of gifts is just a small part of what that day represents. But I extend once again the offer to any one of you who wants to go

door knocking with me in my housing projects to see what these women are going through as they try to get off of welfare. And the other thing that we've done for them, that I think is deplorable, is we've not allowed them the opportunity to get an education. And I have said many times on this floor, education is the way out of poverty.

So if we want to get them out of poverty and this bill is attempting to, this amendment is attempting to do that, then let's look at the other side of it and let's give them the opportunity to get an education. Thank you Madam Speaker.

DEP. SPEAKER CURREY:

Thank you. Would you care to remark further on the amendment? Representative DelGobbo of the 70th.

REP. DELGOBBO: (70th)

Thank you Madam Speaker for the second time. You know Madam Speaker, listening to this, what's is just astounding to me is I do appreciate the sincere desire of so many members of the General Assembly to improve the life and the conditions of Connecticut families. You know last year I voted for the minimum wage. I also voted for the famous justice for janitors bill. In both of those cases I could see a specific rationale, the justice for janitors we could define some specific

003238

kmr

160

House of Representatives

Monday, April 24, 2000

benefit, who was benefitting, who it was hurting and what the impact of that would be.

The same thing for the minimum wage. From my perspective, that was a reasonable adjustment to the marketplace and it had not been adjusted for some time and that seemed to be more than fear. However, all the arguments today by so many of the speaker, is you have to lift these people out of poverty, you have to give them the opportunity, we've made these demands on them to get them off welfare and to work. But then a when a number of us asked the question, who does this really help? I was very disappointed that we have not been able to get any answers that this in fact does any of those things.

And that is very very troubling. We're making these grand statements as a legislature that we're doing this sweeping and wonderful thing for so many Connecticut families, yet when the fundamental question is, let's get down to the numbers, who does this help? I am sure in fact that it may help some people. I don't deny it. But I don't know what the scale of that is. And that would seem to be a fundamental question especially in light of the impact we can see on the other side. That in fact this clearly is going to have a negative impact on those who we're purporting to help.

003239

kmr

161

House of Representatives

Monday, April 24, 2000

The young people who are trying to get a job. I had a call during the course of this debate from two employers in our area who said I'm going to hire that many fewer people this year. How is that helping these struggling families? How is that contributing to the family income? How is that contributing to the experience of these kids? I suggested earlier in the debate that I would listen more closely in the debate and I would say I've been very disappointed that aside from all of the high flying and wonderful intentions that is yet to be demonstrated that this in fact has any where near the perceptual impact that the proponents would claim.

So Madam Speaker, I rise in opposition to the amendment. And I would ask my colleagues to appreciate that in fact we don't have anything before us that says we're doing any of those sweeping things. What we can reasonably understand -- and I believe this is a reasonable statement -- that in fact we may be hurting not Connecticut businesses, because they'll make their business decision whatever we set the minimum wage at. We are hurting Connecticut families by making this next jump at this point. Thank you Madam Speaker.

DEP. SPEAKER CURREY:

Representative Googins of the 31st.

003240

kmr

162

House of Representatives

Monday, April 24, 2000

REP. GOOGINS: (31st)

Thank you Madam Speaker. I have a little bit of a different take on this bill and the amendment that goes along a little bit with Representative DelGobbo's comments. I don't think there is anyone in this Chamber who doesn't know that it's not easy for single parent families to earn a living. And anybody who interprets the self-sufficiency standard in thinking that anybody wants that at a minimum wage really needs to look at that considerably closer. We just know what it takes to live in different parts of the state.

Those of you, my friends who have addressed the social issues involved here and think that a quarter or fifty cents or even seventy cents an hour increase over minimum wage is going to support families I don't really think is thinking very clearly. But I want to remind you of something very worthwhile that we are doing in the state legislature. And that we are doing in the state of Connecticut that will help support these families. We are investing millions of dollars. We are investing just about every agency collaboration in job training for people so that those who have the minimum wage jobs at the moment can not only be the hamburger flippers, or the bus boys or bus women, or the cooks in those kinds of service jobs, but can be the foreman.

003241

kmr

163

House of Representatives

Monday, April 24, 2000

They can be the shift managers. They can be at a level that is higher than what it is than minimum wage.

When minimum wage at minimum is a band aid not a solution. Let's continue with the stronger efforts for job training for people in this state, and we're doing that. I think our head is in the right direction and our focus is in the right direction. A little minimal exponential increases is not going to do as much as you think it is, for as many people as we hope it is. Thank you Madam Speaker.

DEP. SPEAKER CURREY:

Would you care to remark further on the amendment before us? Representative Simmons of the 43rd.

REP. SIMMONS: (43rd)

Thank you Madam Speaker. I agree that this debate is something, as was already said deja vu all over again. I just have one question, many of the issues have been covered. A couple of years ago the New York Times published a notebook on the minimum wage. And in their notebook they made the statement that 22,000 members of the American Economics Association who believed a minimum wage increase would lead to a loss of jobs. 23,000 members of the American Economics Association believe that a minimum wage increase leads to a loss of jobs and 77% of those individuals filling

003242

kmr

164

House of Representatives

Monday, April 24, 2000

out the form said that yes, they believed that a minimum wage increase would result in the loss of jobs. So my question to the proponent of the amendment is, is there any thing in the language of this amendment that would protect jobs? Through you Madam Speaker.

DEP. SPEAKER CURREY:

Representative Donovan.

REP. DONOVAN: (84th)

Through you Madam Speaker, there is nothing in the bill that deals with protecting jobs. I guess it's a question of what kind of jobs and you know certainly the statistics that Representative Stillman brought up, about having what you need the basics in order to live and to work. We know what those are. People know that you can live on minimum wage. And the proposal we have before us says that let's raise that, so when we say as a state this is the minimum wage, we have an awareness, we have an awareness of what it means to live and we're saying to the workers out there that we respect you as workers. And I know that since I've been here we've raised the minimum wage.

Since we've raised the minimum wage the economy has gotten better in the state of Connecticut and more jobs have come into the state of Connecticut since we, this body, has raised the minimum wage. I don't know about

003243

kmr

165

House of Representatives

Monday, April 24, 2000

the other states, but here in Connecticut the economy has improved when the minimum wage has increased. Thank you, through you Madam Speaker.

DEP. SPEAKER CURREY:

Representative Simmons.

REP. SIMMONS: (43rd)

Yes, thank you Madam Speaker. So the answer to my question is no. There is nothing in this amendment that would preserve and protect jobs. This amendment simply raises the minimum wage. But there is no guarantee that the people who pay this minimum wage would keep the jobs. And this is not a new issue to us, we've been through this before. So that if your job market or if the preponderance of the jobs that you have in your region or your area of the state are service types of jobs, if they're seasonal in nature, if they rely -- if you will -- on students who are out of school -- summer types of jobs, if you have this kind of a job situation where minimum wage is often used because these aren't full time year round jobs for somebody supporting a family. There's no guarantee in this language that those jobs would be preserved and protected.

So those of us who live in a part of the state where I live in, where the maritime trades are important, where we have boat rentals, we have boat

003244

kmr

166

House of Representatives

Monday, April 24, 2000

livery, we have marinas, we have beaches that are open in the summer. Much of the job force for this type of activity comes in on a seasonal basis, much of it's minimum wage. Where we have amusement parks, like Maple Breeze Park in Pawcatuck which hires approximately 60 seasonal workers. The first year workers all starting at minimum wage. Where we have trailer parks, and camp grounds and RV parks. All of these types of businesses that rely on that short season and rely on these minimum wage jobs from seasonal workers, in many cases students or somebody who wants a part-time job.

None of those jobs are going to be guaranteed by anything in this bill as I understand it. I think that's unfortunate. I will give the drafter of the amendment credit for taking a look at restaurant workers. Because in the last debate the restaurant workers were not covered with a provision that's equivalent to what we do in New York or some of the other states. And the Restaurant Association of Connecticut was adamantly opposed to those provisions because they weren't covered. And I think an effort has been made in this amendment to take a look at that portion of our workforce.

And in particular when you take into account that in Southeastern Connecticut many of those restaurant

003245

kmr

167

House of Representatives

Monday, April 24, 2000

type jobs, many of those workforce jobs have been taken up by the casinos. Where they really don't have to make a profit on their food, they really don't have to make a profit on their beverages. The profit comes from the gambling. And so these other aspects of the restaurant business are really a give away.

It creates tremendous competition with the smaller restaurants and the smaller bars and grills that exist throughout the area. And so I will, I will commend the drafter of the amendment for taking into account this sector of our economy. That there's another large sector that is not taken into account and there is no guarantee that any of those employers being given a mandate from the state to raise their minimum wage rate are going to keep those jobs open. And in fact those that I talked to in the past and more currently have simply said if the cost of these seasonal jobs goes up, I will simply reduce the number of people that will have the jobs.

So this leads us to a difficult choice or a Hobson's choice if you will. On the one hand there's a good argument to be said for raising the minimum wage to enhance the income of those people who rely on the minimum wage for their support. And my understanding is that at a national level the percent who are single

parents with non-working children at home is 2.8%. It's not 40%, it's not 50%, it's 2.8%.

And that comes from a study based on census figures. So we have to make a choice. We have to make a choice between those 2.8% who are really struggling, legitimately so that we have to be concerned about and are trying to support themselves and then we have to look on the other side of the ledger and say what about the seasonal workers, what about the part time workers, what about our kids, what about the college kids who want to enhance their income, that job may not be there for them. It's a difficult choice Madam Speaker, and I thank you for your attention.

DEP. SPEAKER CURREY:

Thank you sir. On the amendment? Representative McCluskey of the 20th.

REP. MCCLUSKEY: (20th)

Thank you Madam Speaker. Just briefly on the amendment. I just wanted to respond to some of the comments made by some of my colleagues. First of all to Representative Simmons point regarding the economist, I believe during the debate on the last raise on the federal income tax there were numerous prominent economists -- Nobel Prize winners in the field as well as people who were head of the President's economic

003247

kmr

169

House of Representatives

Monday, April 24, 2000

council -- that were in favor of the minimum wage being increased and I believe that when the federal wage was increased that we saw no job loss.

Also I think it's important to put this into perspective for some of my colleagues that are concerned about the potential impact loss of low wage jobs. If this amendment is adopted in January 2002 the minimum wage rate for someone who works 52 weeks a year, 40 hours a week will make \$13,936 a year. That is an increase of \$1,144 from the current minimum wage. So I believe some of the arguments of my colleagues that this is going to be a huge loss of jobs. I think we have to put into perspective of the fact that in two years that is going to be the increase. And if a person is working 40 hours at that new increase that their annual wage will be \$13,936. That's reality.

I think it's also important that this legislation is an incentive for people who work, who play by the rules. That is something that we want to enforce, to encourage. The other thing is, that yes we want to do job training after it you have to have a job. And if you have a job you have to be able to work at an affordable wage rate.

This is a consumer driven economy. What this does is put more money in the hands of people that are

003248

kmr

170

House of Representatives

Monday, April 24, 2000

playing by the rules and by in large those people who are at a lower wage rate are the ones who spend more, they spend a higher percentage of their income on consumer items. So this is in fact a pro consumer, pro economy bill, I urge the passage of this amendment. Thank you Madam Speaker.

DEP. SPEAKER CURREY:

Thank you Representative McCluskey. Representative Greene of the 105th.

REP. GREEN: (105th)

Thank you Madam Speaker. In listening to this debate I just have to rise in opposition to the amendment and the underlying bill. I spent many years in the retail industry. I'll use for example, I worked at Walmart, I worked at Stu Leonard's and Lyman Orchards in Middlefield. I've been a department manager, I've been a store manager. And I know what the effect wage increases have on labor dollars. And one of the things that really this type of increase is going to do, is it's going to cost people's jobs, it's going to cost people's hours of work.

As a department manager I have had to look at every week do a schedule. And I would have a choice would have so many employees that would work for me. Some of them would be full time, some of them would be part

kmr

171

003249

House of Representatives

Monday, April 24, 2000

time. Usually my part timers were the minimum wage earners. But I would have to juggle and I would have to look at those people who were full time and give those people the priority as far as the hours were concerned.

And what that would mean is that anybody that was part time I either didn't call them in or I cut their hours. But we've had here in this, with this legislature over the last two years and in this industry is we've had increases in the minimum wage, that have been swallowed by the employers, now we're looking to do it again. And really, what's going to happen is there's only -- when you're figuring out your wages and your number of hours that you can have people work you're looking at how many dollars your department brings in. Well obviously you cannot, there's a level of break even or loosing money. And as a department manager that was my job.

My job depended upon me managing that department so that it didn't loose money, so I didn't go over labor hours. If I did, my sales had better reflected it. But in reality what we're doing here today is we're really going to hurt people. Because not only -- once I give a minimum wage increase my full time employees want a raise. Everybody else wants a raise, well hey, they're almost making as much as I am now, or they just got a

003250

kmr

172

House of Representatives

Monday, April 24, 2000

seventy-five cents or fifteen cents or forty cents an hour or what ever it happens to be, increase. How about me?

So it really has a trickle down effect. It's really something that we should be aware of. And I think really at this time I think we should wait and I urge my colleagues to please oppose this, thank you.

DEP. SPEAKER CURREY:

Representative Harkins of the 120th.

REP. HARKINS: (120th)

Thank you Madam Speaker. Through you I have a question for the proponent of the amendment.

DEP. SPEAKER CURREY:

Please frame your question sir.

REP. HARKINS: (120th)

Representative Donovan, I'm going through it, I'm looking at the numbers and you want to raise it twenty-five cents the first year and then you want to go to \$6.70 in the future. I was wondering when you were drafting this amendment was there any consideration given to businesses with five or less employees, or even ten or less employees? Emphasizing the question on those small businesses, such as mom and pop's, delicatessens, or small food markets?

DEP. SPEAKER CURREY:

003251

kmr

173

House of Representatives

Monday, April 24, 2000

Representative Donovan.

REP. DONOVAN: (84th)

Through you Madam Speaker. Certainly there's an impact but it's certainly hard to judge by number of employees. There could be a very lucrative business with a few number of employees as a lower paying business as well. So it's certainly hard in crafting legislation to deal with that in some way. And again, I definitely just wanted to say again that we're just looking at a wage, that's certainly -- it's not a living wage -- but it certainly sends, it is a significant statement by the state of Connecticut what we consider a minimum wage. Through you Madam Speaker.

DEP. SPEAKER CURREY:

Representative Harkins.

REP. HARKINS: (120th)

Thank you Representative Donovan. Madam Speaker, one of the concerns that I have with this is the effects it will have on those small businesses. I have a lot of them in my district. The last time I raised the minimum wage I got an earful every time I went to those stores to purchase products from them. And their concern is why are you taking money out of my pockets to help support high school kids, or those individuals who are just trying to work part time or make a few extra bucks.

003252

kmr

174

House of Representatives

Monday, April 24, 2000

One of the concerns that they had brought up that those employees that were with them for six months or more that they had given an increase say to \$7.00 when we in fact raised the minimum wage they had to raise those people from \$7.00 to \$7.25 or \$7.50. So it actually had a negative effect on them switching their pocketbooks. I've heard a lot about fairness today about elderly and children. Heck we all love seniors and I love children, I have two of my own. But about the fairness in hard working small business owners such as those people that own the small delicatessens, food markets, liquor stores. You know the stores that we have in our downtown areas, the ones that we're always trying to help through our local property taxes and also up here in the state.

This kind of goes right in the face of them again saying, well you know we want to help you but then again we're going to make you pay more money for your labor. So Madam Speaker I do rise in opposition to this amendment today. I would just like to be on record in saying so. Thank you.

DEP. SPEAKER CURREY:

Thank you sir. Representative Flaherty of the 68th for the second time.

REP. FLAHERTY: (68th)

003253

kmr

175

House of Representatives

Monday, April 24, 2000

Thank you Madam Speaker. Madam Speaker I've been sitting listening since the first time I got up to debate on this amendment. It seems to me to be more so a debate on the bill and I know in many ways the amendment becomes the bill so I figured why miss out on all the fun, I might as well get up now. And it's been interesting. If I listen to the arguments of most of the people supporting this bill, I guess I can be given the assumption that people stay on the minimum wage. All the discussions about the amount of people and how minimum wage adds up to just barely poverty level or below poverty level. And I have yet to hear any statistic that convinces me in any way, shape or form that this minimum or starting wage is what the people stay on.

One of the members of the House just said you can't have job training if you don't have a job at the end. I'd also contend you can't have job training if you don't have a job at all. And what I fear this amendment and bill would do is hurt the very people that it seeks to help. I haven't been convinced in any way. And Representative Simmons had some statistics on the heads of households, some of the statistics that I've seen, 3% to 4% of Connecticut workers make minimum wage. And less than 5%, and let's say 5% for round numbers, less

003254

kmr

176

House of Representatives

Monday, April 24, 2000

than 5% of the people making minimum wage are single parent, sole breadwinners, heads of household category.

And then you can look at the amendment, what does the amendment essentially do? The amendment first of all seems to me anyway to admit, you know there is a problem if we pass this bill as it is. There'd be a problem in the restaurant industry. There is a problem, there'd probably be a problem in the food, it actually expands the working opportunities for 15 year-olds in the food service industry, that's a non-secular.

So what you're saying is we're going to phase it in and we're going to exempt a certain section of the economy. Why? Well because it might hurt them. Gee, it might hurt them. Representative Geragosian is right, seems like every two years or so it is that this argument is dusted off. It seems like every even numbered year this bill reappears. So here we are again heading into another election year better get the minimum wage bill up there. And I stood on this floor two years ago at this desk and I read a letter that I received from Ann Sweeney who operates a business in my district in Watertown.

She at the time employed seven people, three of whom were welfare to work moms, that we've also been

003255

kmr

177

House of Representatives

Monday, April 24, 2000

hearing about in this debate. But we're talking about minimum wage in other states. She's not competing with other states, this company is as small manufacturing as you can get -- as Representative Harkins was trying to point out. When we were first doing this bill back a couple of years ago it wasn't going to be phased in. And she said, I fear I'm going to have to close, seven people out of work. Well, we phased that in too.

And at the time she wrote and she said, look I have lost all large volume sales because a product I create, I have to charge \$2.50 for is being made for \$1.00 overseas. And I recall reading that letter and talking about this and saying that this would have a real effect. I know at times we kind of tend to polarize some of the debate. Some people talk about we've got to help the working people here and other people say oh, but you're going to put them out of jobs. Businesses somehow characterized as this monolith as these people with tight pockets not willing to give money out in these prosperous times.

Well we passed the bill, we adjourned in May of 1998 and I got a follow-up e-mail in October. And guess what happened? Out of those seven people three of them lost their jobs. These are part time jobs. And as she described them, I offer part time jobs built around

003256

kmr

178

House of Representatives

Monday, April 24, 2000

school hours from 9:00 a.m. to 2:00 p.m. so mom's can get their children off to school and be home when they get home. I am understanding and flexible about time off for illness and appointments, require no previous experience and train all my people. At the time there were 7 people working there.

As of October she had to reduce her hours that were roughly 140 a week by 60 hours per week, three people. I hope none of those three people who lost their jobs were some of those welfare to work people that we've all been talking about today, that we've all been talking about trying to help. I recognize this is one incident.

I really don't think it's the only time. I really don't think that this company is the only company in the state of Connecticut that had their costs increased by this and had to reduce their hours, and in this case two people lost a part time job.

I believe that this amendment and this bill will have the same effect. Maybe not on a broad scale, maybe not thousands of people across the state of Connecticut, but maybe. And this is just in Oakville, this is just in Watertown. It is considered one of the urban areas of this state. But it happened. And I think it's going to happen again. If people can't find a starting job they can't move up the ladder. Two people here had

003257

kmr

179

House of Representatives

Monday, April 24, 2000

starting jobs and they don't anymore.

And I think that gets lost in the shuffle or somehow gets pointed out as all this just empty rhetoric. And so we have here today, what I'm saying is this is going to have a detrimental impact and this amendment admits that. Because it phases it in and it exempts a sector of workers. And I think it's an admission of the fact of the impact this will have on hurting the people, a lot of these great speeches are talking about helping. And I'm left with little other choice Madam Speaker, based on the experience and statistics that I have to vote against this amendment and vote against the bill. Thank you.

DEP. SPEAKER CURREY:

Would you care to remark further on the amendment before us? Would you care to remark further on the amendment before us? If not, staff and guests to the well of the House, the machine will be open.

CLERK:

The House of Representatives if voting by roll call, members to the Chamber. The House is voting by roll call, members to the Chamber please.

DEP. SPEAKER CURREY:

Have all members voted? Have all members voted? Please check the machine to make sure that your vote is

003258

kmr

180

House of Representatives

Monday, April 24, 2000

properly cast. If all members have voted the machine will be locked. The Clerk will take the tally. The Clerk will please announce the tally.

CLERK:

HB5160 House Amendment "A."

Total Number Voting	144
Necessary for Adoption	73
Those voting Yea	104
Those voting Nay	40
Those absent and not voting	7

DEP. SPEAKER CURREY:

The amendment passes. Would you care to remark further on the bill before us? Representative Farr of the 19th.

REP. FARR: (19th)

Thank you Madam Speaker. The Clerk has an amendment will the Clerk please call and I be allowed to summarize LCO 3799.

DEP. SPEAKER CURREY:

We're trying to secure copies.

REP. FARR: (19th)

It just excludes kids under the age of 18 from the increase. Well fifteen year-olds who are supporting their own family I can understand that.

DEP. SPEAKER CURREY:

003259

kmr

181

House of Representatives

Monday, April 24, 2000

Will the Clerk please call LCO 3799, designated House "B."

CLERK:

LCO 3799, designated House "B" offered by Representative Belden, etal.

DEP. SPEAKER CURREY:

Representative Farr.

REP. FARR: (19th)

Thank you Madam Speaker. The amendment in essence says that children, minors under the age of 18 will not be subject to the increase in wages as proposed by the bill, with a few exceptions, for those employed by the state. I would move adoption of the amendment.

DEP. SPEAKER CURREY:

Thank you sir. The question is on adoption, will you proceed sir.

REP. FARR: (19th)

Yes, thank you Madam Speaker. We've heard a lot of debate about whether or not the underlying bill affects the amount of jobs that would be available. I just point out to the body as we have in the past that there are federal programs for employment of youth in our cities and those programs are fixed at a certain amount of dollars. As you, the number of kids that are going to be employed in the cities after the effective date of

003260

kmr

182

House of Representatives

Monday, April 24, 2000

this act, will be determined by taking the minimum wage and dividing it by the number of hours that the kids, I'm sorry, taking the number the minimum wage and dividing that into the dollars available and then dividing that figure by the number of hours that the kids are going to work.

And quite frankly as you raise the minimum wage you're going to employ fewer kids. We're talking in some of those programs are intended for 15 year-old youngsters. And I understand that the philosophical argument on that side of the aisle continues to be that it's better that someone not work than somebody work at a job that doesn't pay "a living wage." Well I suggest to you as any parent in this Chamber knows, that I think in raising your youngsters it was always your experience that it was better that the kids work no matter what the pay than to sit home because the pay wasn't good enough.

And what this amendment says is that we're going to do everything we can to create jobs for youngsters. Because quite frankly the experience of jobs is a most important thing. And it isn't the question when you're dealing with 15, 16 and 17 year-olds, it isn't a question of them having to support their families, because there are very few of them doing that. What it is, is the question of them getting experience. And I

003261

kmr

183

House of Representatives

Monday, April 24, 2000

would urge adoption of the amendment.

DEP. SPEAKER HYSLOP:

The question is on the adoption of House "B" will you remark on House "B"? Representative Donovan.

REP. DONOVAN: (84th)

Yes Mr. Speaker. Mr. Speaker, I would oppose this amendment for several reasons. One is that it says for people doing the same amount of work that age becomes a determiner of how you get paid and I think that sends the wrong message. And certainly if I'm an employer and I'm looking at an 18 year-old coming to apply for a job and I know that I can have a 16 or 17 year-old and pay that person less wages I may be inclined to hire that 16 or 17 year-old and not hire the 18 year old who may need the work. So on those two reasons I would certainly oppose the amendment before us. Thank you Mr. Speaker.

DEP. SPEAKER HYSLOP:

Will you remark further on House "B"? Will you remark further on House "B"? Representative Farr.

REP. FARR: (19th)

Yes, thank you Mr. Speaker. You know the unfortunate thing about the underlying bill is it shows too often how the legislative process works. The minimum wage bills in our society affect a relatively

kmr

184

003262

House of Representatives

Monday, April 24, 2000

small number of members of our society. Those would be people who work for gratuities, in other words if you work in restaurants and you get tips basically you're affected, but the bill takes those out of coverage and it does that because the lobbyists for that industry were effective in terms of making sure they were excluded from the impact. Minimum wage laws affect to some extent the grocery industry. But the bill takes care of their concerns by allowing 15 year-olds to work there and it does that because the lobbyists for the grocery industry were effective in shaping this bill. But the bill also affects some other members of our society and those are youngsters who have never worked, those are some of our people coming out of prison who have never had employment that are seeking employment. People who have never jobs before.

And quite frankly those people don't have lobbyists, they have no one to speak for them. And it is those people who need most of all the experience of employment. Because for those people, having any job is better than sitting at home waiting for a job with a "so called" living wage. And it is those people that we should be most concerned about, but unfortunately they don't have anyone to speak for them except us.

And I would suggest that that's what this amendment

kmr

185

003263

House of Representatives

Monday, April 24, 2000

attempts to do. It attempts to give an opportunity in our society for people who need an opportunity to enter the workforce. As far as the ridiculous argument that somehow we're going to displace people over the age of 18 and that you're going to hire kids to replace them. First of all I'll point out that there's another bill before us that will be debated later maybe even tonight, on the issue of whether or not youngsters have to stay in school until 18. So if we're successful in establishing public policy that youngsters have to stay in school until the age of 18, then the only people this amendment is going to affect is part time workers.

Part time workers who will be expected to go back to school full time during the summers, and this will give them an opportunity to have that first job experience. I would urge adoption of the amendment.

DEP. SPEAKER HYSLOP:

Representative Kirkley-Bey.

REP. KIRKLEY-BEY: (5th)

Thank you Mr. Speaker. Through you to the proponent of the amendment. I would assume that this does not cover youths between the ages of 14 and 21 that are allowed to work the summer youth employment program?

DEP. SPEAKER HYSLOP:

Representative Farr.

kmr

186

003264

House of Representatives

Monday, April 24, 2000

REP. FARR: (19th)

It is my understanding that it in fact does that. It's my understanding that the federal summer employment program specifically -- and I've had this researched in previous years -- specifically, some of them specifically require payment of the minimum wage in that particular state. I know there are a few programs that exclude it. But it's my understanding that many of the federal programs specifically require the minimum wage payments. So that this would say that those programs could pay the current minimum wage, would not have to pay the increases, and could employ more young people.

DEP. SPEAKER HYSLOP:

Representative Kirkley-Bey.

REP. KIRKLEY-BEY: (5th)

Yes, Mr. Speaker through you. Under the new workforce investment act do you know if that which supersedes July 1, the JEPTA, do you know if that's still the applicable rule?

DEP. SPEAKER HYSLOP:

Representative Farr.

REP. FARR: (19th)

My assumption in drafting the amendment is that it was. I do not know for a fact that that's the case. But that's been the pattern in the past and I've seen

kmr

187

003265

House of Representatives

Monday, April 24, 2000

nothing to indicate that they've changed the federal and would now allow us to pay under the minimum wage under the federal law.

DEP. SPEAKER HYSLOP:

Representative Kirkley-Bey.

REP. KIRKLEY-BEY: (5th)

I just was curious Mr. Speaker, through you, as to whether or not this had an impact on the number of youths that would be working in the summer youth employment program. Many of those young folks work so that they can help supplement their parent's income and not being able to be afforded the opportunity to get the increase in salary, I don't know if I could support that. Thank you very much Mr. Speaker.

DEP. SPEAKER HYSLOP:

Will you remark further on House "B"? Will you remark further on House "B"? If not we'll try your minds. All those in favor please signify by saying aye.

REPRESENTATIVES:

Aye.

DEP. SPEAKER HYSLOP:

Those opposed.

REPRESENTATIVES:

No.

DEP. SPEAKER HYSLOP:

kmr

188

003266

House of Representatives

Monday, April 24, 2000

House "B" fails, will you remark further on the bill as amended? Will you remark further on the bill as amended? If not, Representative Bernhard.

REP. BERNHARD: (136th)

Thank you Mr. Speaker. I've listened to this debate both in Committee and in this Chamber with much interest. I've found it be both profound and intellectual. I thought the public comments of Representative DelGobbo and Representative Flaherty and my private conversations with Representative Farr to be most thought provoking in their opposition to this bill.

What I took away from them is that they believe that this bill does not affect adults, because the market is such that the adults are earning more than the minimum wage.

They think this bill is antithetical to teenage employment. I found this perspective confounding to me because I would not want that to be the case. Because I'm having a difficult time accepting the hypothesis however, that this bill affects only children or teenagers. I believe there is an adult population that will be affected by this bill. The gentleman who rakes my lawn, the gentleman who drives the car at the car wash, the lady who cleans the offices, I believe that this bill in all likelihood will have some impact on

003267

kmr

189

House of Representatives

Monday, April 24, 2000

their lives. I wish the state kept better records and that we had better statistics about who works for minimums wage so that we could address Representative DelGobbo's and Representative Simmons' and Representative Farr's doubts and concerns about this bill. But as a result, we are left with in many instances a gut reaction and anecdotal evidence.

To this I have one gut reaction. One that I had in Committee in that notwithstanding the very interesting perspectives and enlightened thought that came from this Chamber I have just one gut reaction to this bill. And that is that this represents approximately a 5% increase for a living wage for those people who it does affect. And in my opinion in this economy and what we see going on around us a 5% increase is neither unfair or unreasonable to either the employer or the employee who hire people at or who work for the minimum wage.

The 25 cent increase after an eight hour day represents two dollars. I don't think it's going to have the profound effect that many people who are advocating for this bill is going to say that it's going to improve lives and increase living standard for very many people. Quite frankly I don't think two dollars is going to do it. On the other hand, if I could get someone to work for me and it's only going to cost me

003268

kmr

190

House of Representatives

Monday, April 24, 2000

two dollars more at the end of the day, and it's fair to give them a 5% increase, then I don't think that it's going to come to have the cataclysmic effect that the opponents are advocating. So Mr. Speaker, while it has been enlightening and I think I have learned a great deal in listening to the debate both in Committee and on this floor, my gut reaction tells me that a 5% increase for those people who are in fact affected by this is neither unfair or unreasonable and therefore I'm going to vote for it. Thank you Mr. Speaker.

DEP. SPEAKER HYSLOP:

Representative Roraback.

REP. RORABACK: (64th)

Thank you Mr. Speaker. The Clerk has an amendment which is LCO 4250, if the Clerk would please call the amendment and I be given permission to summarize.

DEP. SPEAKER HYSLOP:

Clerk please call LCO 4250 to be designated House "C." The Representative has asked leave to summarize.

CLERK:

LCO 4250, House "C" offered by Representative Roraback, etal.

DEP. SPEAKER HYSLOP:

Representative Roraback.

REP. RORABACK:

003269

kmr

191

House of Representatives

Monday, April 24, 2000

Thank you Mr. Speaker, I move adoption.

DEP. SPEAKER HYSLOP:

Question is on the adoption of House "C" will you remark further?

REP. RORABACK: (64th)

Thank you Mr. Speaker. Mr. Speaker, this amendment address the situation which all of us could feel real good if we were able to correct today. Specifically Mr. Speaker, for a long period of time 15 year-olds have enjoyed the opportunity to teach youngsters how to ski.

Particularly youngsters that are 3, 4, and 5 years old enrolled in so called "ski-wee" programs. Mr. Speaker, regrettably it came to the attention of people that to conduct these programs the current labor practices in our state disallow 15 year-olds from doing this very healthy teaching of skiing so I'd ask the Chamber to join me and taking this opportunity to correct that inadequacy and make the world a better place.

DEP. SPEAKER HYSLOP:

Will you remark further on House "C?"

Representative Donovan.

REP. DONOVAN: (84th)

Thank you Mr. Speaker. Mr. Speaker I rise to oppose the amendment for, don't sssh me now, ski joke. For a couple of reasons. One, this bill makes major

kmr

192

003270

House of Representatives

Monday, April 24, 2000

changes to the General Statutes since it's a not withstanding any provision of General Statute, a minor who has reached the age of 15 may be employed or permitted to teach at a ski school. To me that means that any, all of the laws we have dealing with minors working as long as they're 15 years old they can work every day of the week, 8 or 9 hours a day as written that's what the language says to me.

And again Mr. Speaker, we have limited the work of 15 year-olds to very limited jobs. And actually for 16 and 17 year olds the statutes are very clear that dangerous jobs are not to be afforded to 16 and 17 year olds let alone 15 year olds. And though someone may be certainly a skilled skier, to be a ski instructor you will have to take people on tough courses and there's nothing here that talks about who they train and I think that the amendment here is actually, could put 15 year-olds in danger and we certainly have seen in our country some skilled skiers who have died recently on the slopes, and I oppose the amendment. Thank you Mr. Speaker.

DEP. SPEAKER HYSLOP:

Will you remark further on House "C"?

Representative Roraback.

REP. RORABACK: (64th)

003271

kmr

193

House of Representatives

Monday, April 24, 2000

Thank you Mr. Speaker. Representative Donovan is right, we have seen some tragic accidents on the ski slopes and if this amendment is to pass I think we'll see a lessening in the number of such accidents. So if Representative Donovan is looking to enhance the public safety, I hope he'll get behind the amendment.

But on the technical questions that he raised Mr. Speaker, very fair questions. The language of the amendment for the purposes of legislative intent is not intended to excuse 15 year-olds from all the other limitations on their employment. Specifically they'd only be allowed to work, they wouldn't be allowed to work during school hours, or before 7 in the morning or after 7 at night, more than 3 hours a day or more than 18 hours a week. The notwithstanding line which only goes to the activity not to the conditions of employment. So if that helps the Chamber in taking comfort that we're not giving a blank check to exploit 15 year-olds I hope the bill supports the amendment. Thank you Mr. Speaker.

DEP. SPEAKER HYSLOP:

Will you remark further on House "C"? Will you remark further on House "C"? If not we'll try your minds. All those in favor signify by saying aye.

REPRESENTATIVES:

003272

kmr

194

House of Representatives

Monday, April 24, 2000

Aye.

DEP. SPEAKER HYSLOP:

Those opposed?

REPRESENTATIVES:

No.

DEP. SPEAKER HYSLOP:

House "C" fails will you remark further on the bill as amended? You missed it by that much. Will you remark further on the bill as amended? Will you remark further on the bill as amended? If not, staff and guests to the well of the House, the machine will be open.

CLERK:

The House of Representatives if voting by roll call, members to the Chamber. The House is voting by roll call, members to the Chamber please.

DEP. SPEAKER HYSLOP:

Have all members voted? Have all members voted? Please check the machine to make sure that your vote is properly recorded. If all members have voted the machine will be locked. The Clerk will take the tally.

The Clerk will please announce the tally.

CLERK:

HB5160 as amended by House "A."

Total Number Voting

144

003273

kmr

195

House of Representatives

Monday, April 24, 2000

Necessary for Passage	73
Those voting Yea	99
Those voting Nay	45
Those absent and not voting	7

DEP. SPEAKER HYSLOP:

Bill as amended passes. Clerk please call Calendar 462.

CLERK:

On page 15, Calendar 462, SB77, AN ACT CONCERNING VOLUNTARY MUNICIPAL REVENUE SHARING. Favorable report of the Committee on Finance.

DEP. SPEAKER HYSLOP:

Representative Stone.

REP. STONE: (9th)

Thank you Mr. Speaker. Good evening.

DEP. SPEAKER HYSLOP:

Good evening.

REP. STONE: (9th)

Mr. Speaker I move for acceptance of the Joint Committee's favorable report and passage of the bill in concurrence with the Senate.

DEP. SPEAKER HYSLOP:

Question is on acceptance and passage in concurrence with the Senate, will you remark?

REP. STONE: (9th)

JOINT
STANDING
COMMITTEE
HEARINGS

LABOR
AND
PUBLIC
EMPLOYEES

PART 1

1-330

2000

INDEX

that are already in place, why not have individuals avail themselves of those services rather than to assess businesses for them and duplicate those services in the Workers' Compensation Fund.

REP. BACKER: Okay. Thank you.

REP. DONOVAN: Thank you.

Any other questions from the committee?

Thank you, Mr. Ryan.

MARC RYAN: Thank you.

REP. DONOVAN: Next speaker is Leslie Brett, followed by Comptroller Nancy Wyman.

Leslie Brett. Nice to see you.

LESLIE BRETT: Good afternoon, Representative Donovan, members of the committee. Thank you very much. For the record, my name is Leslie Brett and I am the Executive Director of the Connecticut Permanent Commission on the Status of Women. I thank you for this opportunity to offer testimony regarding three bills that will have a significant impact on the economic security of low and moderate-wage workers.

It is hard to condense testimony on three significant bills into a short period of time. So I will try to summarize what I have written. I have commented more extensively in my written remarks.

I'm here to testify in strong support of 5160, AN ACT INCREASING THE MINIMUM WAGE, in strong support of SB-122, AN ACT CONCERNING INDIVIDUAL DEVELOPMENT ACCOUNTS just referred to by the Secretary, and in opposition to HB-5259, AN ACT CONCERNING THE IMPOSITION OF EMPLOYMENT SERVICES SANCTIONS FOR TEMPORARY FAMILY ASSISTANCE RECIPIENTS.

First let me make a few remarks about HB-5160, AN ACT INCREASING THE MINIMUM WAGE, which, as you know, would raise the minimum wage to \$6.75 next January, 2001 and then would index the minimum wage

to the National Consumer Price Index so that we'll keep pace with the real cost of living.

I think the indexing is an important idea as it will reduce the need for legislative action every year and will raise wages just as the wages of many employees who are not at minimum wage are automatically adjusted in the form of cost-of-living adjustments.

Just as an example, without indexing, in the past it took a full 11 years for entry-level workers to get a raise between 1988 when the minimum wage was \$4.25 and the last time this legislature acted in 1999 to raise it to \$5.65 and then to \$6.15.

The current minimum wage of \$6.15 per hour leads to an annual income for a full-time worker of only \$11,193.00 per year. That is still approximately \$2700.00 per year below the Federal poverty level for a family of three. So if you're working full-time at minimum wage and you have two kids and one wage-earning adult, you are still nearly \$3,000.00 below the Federal poverty level at our current minimum wage.

In my ways, I think I could end my testimony about the minimum wage right there. But let me make a few more points before I move on to the other topics.

While the Connecticut economy in the past decade has been picking up steam for some folks in Connecticut and the top 40 percent of residents in our state saw a healthy increase in their earnings. The bottom 60 percent of workers actually lost real earnings when adjusted for inflation in the last 10 years.

Child poverty in Connecticut is going up, not down. It currently stands at 19 percent or nearly one in five children in our state who live below the poverty level.

So we can see that the rising tide of this economy is clearly not lifting all boats and that working families are barely keeping their heads above

water. As you may know, two-thirds of the minimum wage workers are women across the country and eighty-five percent of them are adults, not teens, entering the work force. And the majority of new workers who are former recipients of Temporary Family Assistance are also women, most of whom are working near or at the minimum wage.

So if we want these workers to succeed and to be able to support themselves and their families, then we have to create a realistic floor on wages. And we have recognized this need in this country for over 50 years. We've increased the minimum wage before and the economy has still flourished.

So I urge you to support this bill and set a reasonable minimum wage for this year and every year in the future.

You have another proposal before you that will offer real economic opportunity to low and moderate-income families struggling to lift themselves out of poverty. And I urge you to support SB-122, AN ACT CONCERNING INDIVIDUAL DEVELOPMENT ACCOUNTS.

I won't repeat the testimony offered by the Secretary but just to say that this is a concept built upon fundamental American values to help people build assets through hard work and savings. And we're supportive of the Governor's proposal to add an additional \$400,000.00 into the budget in order to help get this fund started.

It is appropriate that some of the national leaders who developed this idea at the Corporation for Enterprise Development named their efforts The American Dream Project. Robert Friedman, the Chairperson of CFED, has suggested, quote, that "IDA's can be to the 21st Century what the Homestead Act and the GI Bill were to the 20th Century."

I won't describe the elements of the IDA program. I'd be happy to describe it in some degree in questions, if you have some. In testimony that I offered before Banks and that I have here also

as warranted. For the tourism district, this aspect of the program would affect --

(Interruption in taping - Changing from Tape 1-B to Tape 2-A.)

REP. DONOVAN: Any questions, comments from the committee?

Representative?

REP. GERAGOSIAN: Thank you, Mr. Chairman. I want to commend you. You run a fine establishment. I was there for lunch about a week ago.

TIM ADAMS: Thank you for coming.

HB5160

REP. GERAGOSIAN: I try to get by there as often as I can.

I've heard -- I've been in the legislature about five years. I've heard this testimony three times since I've been there. The economy is booming, except for the people on the lower end of the ladder. Every piece of evidence we see says the bottom 20 percent is not gaining from this impact on our economy, this positive economy. Why is it different this time?

TIM ADAMS: I'm not an economist. I can just tell you what I know from my industry. And I know that anybody who has come to me on a full-time basis, they're the people that I really want to reward. They're the people I would like to have the ability to pay more. But there's so many dollars in a pot of labor.

Labor in a restaurant can run anywhere from 35 to 45 percent of all the dollars that you take in. That's a huge number. Then we go down the line looking to try to put a P&L together.

The real issue I think is the distribution of where those dollars go. Servers, hosts, bartenders, all of these people make well, well in excess of minimum wage. I think the average is \$15.00 an hour for these people. And, quite frankly, my

people make much more than that.

The people that I have a problem is I have dish washers coming in who are unskilled and I'm starting them at above the starting rate and basically they leave in three days because they don't want to work. I have difficulty, quite personally, with people who don't want to work. And I have difficulty rewarding people who don't make the effort to learn and to become more of my staff where I give them whatever I can because I have to pay them to stay. And I want them to stay.

I would love to be in a position to have more dollars available to give my people benefits, to do things like that. But I don't have a bottom line that will support that.

REP. GERAGOSIAN: I don't want to talk about the people that don't want to work. We're talking about the people who do want to work and what is a fair wage for them in terms of the economy. And why shouldn't wages go up just like everything else in the economy? Like every cost. Like it costs you more for your beer, for instance, or your food or -

TIM ADAMS: I don't think it's an issue of whether wages should go up. I think it's an issue of what's going to happen when all of a sudden we have an economic downswing and I am in a position where I'm paying these wages. We forced inflation in a sense. And all of a sudden, I don't have the volume coming through my door to pay my bills. All these people are going to disappear. And, quite frankly, I would go out of business.

REP. GERAGOSIAN: Well, I mean in terms of -- I mean your clientele -- I mean talking about restaurants and how the minimum wage affects them, I could see how it might affect a higher-end restaurant that doesn't get the direct benefit. An establishment like yours gets a benefit from all the people out there that are making more in the economy. It's not a high-end restaurant.

TIM ADAMS: Not necessarily. And what benefit that I

might receive from that is offset by the fact that the majority of my labor dollars, my labor hours, are in the service end. My --

REP. GERAGOSIAN: But I'm saying in terms of people spending more money in the economy, the money that goes in the economy as a result of people throughout the economy making more money in the minimum wage.

TIM ADAMS: Could I relate a personal story --

REP. GERAGOSIAN: Sure.

TIM ADAMS: -- that might explain this better? We've had -- since I've been in business in Connecticut, we've had three swings in the economy. The first one back when we were white tablecloth, we almost went out of business. We had to switch from white tablecloth to casual theme, back from one of Cooke's Taverns to J. Timothy's. Basically, I shut down half my restaurant. I got rid of half my people. I ran with two rooms. My partner and I basically took our people. We rebuilt our restaurant. We -- it cost us everything that we had. It cost us the cash flow that we were having. But basically it saved our business.

We had another dip in the economy. The same thing came around. And we said, "Well, it's going to come back up. We've got to something to generate business." So we went out and took out a second mortgage over and above what we already had, a substantial second mortgage. Fortunately, that worked. We redecorated. I'm sure you saw it. And the same thing happened -- now, I still have that first mortgage, I still have that second mortgage because, obviously, I haven't paid them off.

And then we dipped down again. Now, fortunately, the economy came to Connecticut a year after it came everywhere else. And I had the fortune to have a movie theater coming in up the street from me. But, at the same time, my restaurant, which was 50 years old and kind of limping along, wasn't ready to do that business. So we rolled the dice again, took out a third mortgage to try to redo our

kitchen so that when this business did come we'd be ready to do it.

So, basically, I'm sitting here on a first mortgage, a second mortgage and a third mortgage that I'm still paying on and I'm still going through these dips. So it's not all the roses that you see. I don't know if that makes sense to you or not. I mean it's not going in my pocket is what I'm saying.

REP. GERAGOSIAN: Right. But that's, you know, a choice and a cost and I mean everything else -- I mean I'm a businessman in the area, too. I'm in the real estate business in New Britain. So nobody has to tell me about how bad the economy was for years.

TIM ADAMS: So you were there.

REP. GERAGOSIAN: The last point I think you alluded to in terms of the economy in general and the fear that Representative Tulisano alluded to in terms of welfare reform and its impact on the future when the economy is not so good and the thousands of people that are going to be in dire straits when the economy is not so good, could -- do you want to comment on that from your perspective?

TIM ADAMS: Yes. I'm petrified. I'm very afraid for myself. I have everything -- as a small business person -- and I think you'll understand this. And much like many other restaurateurs in particular, everything I have is in that restaurant. I don't have much of a retirement or very little because I haven't made enough money to put that money there. It's all gone back into my business. My business is my retirement if I'm fortunate enough to survive.

And, quite frankly, I can only cut back so far because I have overhead now. I have increased labor costs. I have one, two, three mortgages. I have small loans for other equipment. I'm scared. And I'm petrified of a downturn in the economy, quite frankly.

REP. GERAGOSIAN: My question -- we here have to balance

everybody's interest, the interest of the, you know, myriad of people that are sitting in this room right now and how, you know -- without the safety net for folks when welfare reform -- when we have the next downturn in the economy and as, you know -- we don't think the government should be doing as much. Maybe the private sector should be picking up some of the slack in terms of -- you know, it's an either/or situation. And I see the minimum wage as one of the tools we've used to make sure that people are -- they're going to work 40 hours a week and play by the rules are able to take care of their families. We've heard testimony it's below poverty level right now.

TIM ADAMS: But who does the minimum wage benefit, though? I -- quite frankly -- and I'm sure this is a contradiction to something that is another bleep out there. To my experience, I have no people that are trying to actually make a living on minimum wage in my employ. Everybody that does come to me, I pay them more than minimum wage to begin with. And if they do a good job, I pay them substantially more than that. Otherwise, they wouldn't be working for me. I wouldn't have a staff.

What we're saying is let the economic drivers be the determinant of what a person earns. Let's not reward people for showing up.

REP. GERAGOSIAN: Then is it your testimony we should do that on the high end, too, on the top end? Like, for instance, a CEO in Connecticut makes ten million dollars a year. The taxpayers subsidize that through business --

TIM ADAMS: I've never had to deal with that number.

REP. GERAGOSIAN: No. But I'm saying -- you know --

TIM ADAMS: That's totally out of my realm of understanding.

REP. GERAGOSIAN: Okay.

TIM ADAMS: I'm still -- I'm still dealing in nickels

and dimes.

REP. GERAGOSIAN: Thank you, Mr. Chairman.

REP. DONOVAN: Just for clarification, as wait staff get made a less minimum wage than other --

TIM ADAMS: Yes.

REP. DONOVAN: -- unless they make in tips what the minimum wage, then they get paid the minimum wage.

TIM ADAMS: Right. They're guaranteed to make at least the minimum wage no matter what.

REP. DONOVAN: Right. Just so -- so there's less impact per employee to, like, wait staff than to -- from other employer's hiring staff.

Just picking up on the point that Representative Geragosian -- in my town, it was an interesting juxtaposition. There was a Dunkin' Donuts that put up a sign saying "We have to raise the prices because the minimum wage is going up." And meanwhile, they have a big banner out front saying "Now Hiring" and "Start Your Career Here." And I thought it was a funny way of advertising for people to work there when they're complaining about paying the minimum wage.

Around the corner was a Cumberland Farms. And they have a big sign, "Starting \$7.00." As an employer -- as an employee looking for work, which place am I going to go to? And I think in this economy you need to look at -- I mean we're looking at Massachusetts. Massachusetts is instituting a \$6.75 minimum wage. If you're looking for workers --

TIM ADAMS: I believe that's next year.

REP. DONOVAN: It takes -- well, it matches this bill that we have here.

TIM ADAMS: Yes.

REP. DONOVAN: And so I mean a lot of times people talk

about what other states are doing and the impact on our state. I would think border places, border states -- I mean towns that border Massachusetts may find that they'll be attracting workers there, too.

So I'll echo what Representative Geragosian said. We're -- you know, certainly we're looking to reward those who work. And we certainly find a lot of people, whether they're -- it may be they're putting -- maybe not in your experience, but in other places they're putting two or three jobs together at minimum wages, trying to make ends meet. They probably don't have health insurance. And they look to the State for help. And then people here say, "Well, people shouldn't look for handouts." I think we're looking to support people who work. And minimum wage is one way that we're looking at dealing with that issue.

TIM ADAMS: I -- I -- and I think I speak for most other small business -- would love to be able to give all my employees the benefits --

REP. DONOVAN: I understand.

TIM ADAMS: -- of working hard. I need the money to do that.

Just a quick reference. You made a reference to our bordering states. I believe Massachusetts and Rhode Island both have 50-percent tip credits, almost twice what ours is, as well as theirs, I believe, are frozen and no longer indexed to the minimum wage as well. So they are benefitting from that.

REP. DONOVAN: But I guess you state in many cases, in many restaurants, they never pay the minimum wage, I mean what everyone else pays.

TIM ADAMS: No. No. Very few times.

REP. DONOVAN: Okay. Thank you. Thank you for coming.

TIM ADAMS: Thank you.

REP. DONOVAN: Shelley Geballe, followed by Joy Bylan.

SHELLEY GEBALLE: Representative Donovan, other members of the Labor Committee, I'm Shelley Geballe. I'm President of Advocates for Connecticut's Children and Youth, the lobbying organization associated with Connecticut Voices for Children. I'm testifying today in strong support of Bill 122, AN ACT CONCERNING INDIVIDUAL DEVELOPMENT ACCOUNTS.

(HB 5259)
HB 5160

Attached to my testimony is a list of other organizations that joined our organization's support of this bill but who have chosen, in the interest of your time, not to come and testify personally today. They include the Southwestern Area Commerce & Industry Association, the Connecticut Council of Family Service Agencies, NASW, Connecticut Now, the Commission on Children, the Puerto Rican and Latino Affairs Commission, the Collaborative Center for Justice, and League of Women Voters of Connecticut.

As was mentioned earlier, the IDA bill is the product of months of work by a task force convened by State Treasurer Denise Napier on which I had privilege to serve. This task force had representation from all key State agencies, from banks and credit unions, from business, philanthropy, labor and the not-for-profit sector. And its recommendations were unanimous.

It was mentioned by Secretary Ryan that the Governor has included \$400,000.00 in his surplus money to jump-start the IDA initiative. Not mentioned was that Fleet Bank has also put \$400,000.00 on the table as matching grants and that these funds can be leveraged to receive also Federal matching funds to jump-start the IDA initiative.

I want to speak in two respects on this, first about the intergenerational benefits of the IDA Program and then also on behalf of the task force answer any questions you might have about the recommendations of the task force.

I point out that there's a Substitute Bill 5018

to jump-start their pathway out of poverty.

I also want to speak briefly in opposition to Bill 5299, the bill that would accelerate the sanctioning process of TFA. Approaching this -- as baseball season is approaching, it's sort of like speeding up the three strikes, you're out process such that the person doesn't even get to see the second pitch before they're thrown out of the game. (HB 5259)

I think when Commissioner Wilson-Coker spoke to who are these people who are being sanctioned and said look to the safety net population, we have, in fact, done a study of the safety net population and found that they have multiple barriers to employment and particularly low educational attainment, many with below an eighth grade education, many unable to read.

And so I think a fairer way of dealing with this problem which has been identified by the Department of Social Services is with an initial sanction, the initial sanction, that there be an immediate assessment about what are the barriers to employment that that family is experiencing and how does one begin to help them get over those barriers to employment.

And, finally, I want to testify in strong support of 5160 that would increase the State minimum wage. It was mentioned by Representative Geragosian that the poorest of the population have been experiencing loss of income. In fact, it's been quantified recently.

Since the late 1980's, Connecticut families in the bottom fifth have lost \$6100.00 in annual income adjusted for inflation, a 26-percent decline. This is the greatest decline of any state in the nation. Rhode Island is next closest and its decline was only \$3700.00. And, also, the poorest 20 percent of workers in Connecticut have had a decline in adjusted inflation wages from \$9.20 an hour in 1989 to a low of \$8.30 an hour in -- \$8.06 an hour in 1996. Only recently has it begun to tick up.

These wage and economic and income trends pose

particular challenges to Connecticut's families, given our high cost of living. I think indexing the minimum wage to inflation is an essential thing in order to assure a pathway out of poverty for Connecticut's kids.

I'd be happy to answer any questions about the task force's recommendations that you might have.

REP. DONOVAN: Thank you. Shelley, I have a question. You mentioned there's a bill in Banks.

HB 5018

SHELLEY GEBALLE: Yes.

REP. DONOVAN: This bill before us came from the Administration. How do you see the two going forward?

SHELLEY GEBALLE: There will be a -- yes. I think there will be a process where everyone will get together in a room and decide what the bill needs to say and which bill will be the vehicle. But it -- until that process occurs, we're hoping to keep both bills moving.

(SB 122)

REP. DONOVAN: Okay. Just remind me that our deadline is March 9, which is, I think, tomorrow. So -- it seems like tomorrow, anyway, to me.

Thank you.

SHELLEY GEBALLE: Yes.

REP. DONOVAN: Yes, Representative?

REP. DeMARINIS: Shelley, I was in Banks when you were there the other day. And I don't remember the name of the gentleman who came in who is running the program.

SHELLEY GEBALLE: Yes?

REP. DeMARINIS: And I don't know if you want to talk briefly about that. I just was impressed with the success rate. And, also, the comment -- the amount of money -- I think it was \$3,000.00 was proposed as the amount that would be matched. It seems very

RONALD THOMAS: All right.

REP. DONOVAN: Thank you, Ron.

RONALD THOMAS: Thank you.

REP. DONOVAN: Any other questions? No.

Thank you for your testimony.

Randolph Blackman, followed by Edith Karsky.

RANDOLPH BLACKMAR: Good afternoon, Representative Donovan, members of the Labor Committee. My name is Randolph Blackmar and I represent nearly 5,000 farm families who are members of Connecticut Farm Bureau. I'm here today to respectfully provide testimony in opposition to Bill 5160, AN ACT INCREASING THE MINIMUM WAGE.

First let me start by saying that the people working in our agricultural industry receive an average wage of \$8.68 an hour. This figure is based on the November '99 New England farm labor statistics tracked quarterly by the United States Department of Agriculture.

While I am not able to break down the Connecticut statistics out of this, I am sure you will agree that workers here in this state receive a higher wage than those in the states to our north.

The problem we have with increasing the minimum wage is that the whole wage floor then increases. Labor costs in our Connecticut farms account for 20 percent of our production costs. Connecticut farmers can ill afford such increases. This is usually true of the state's dairy farmers whose milk price is set by USDA in Washington, D.C. The cost of labor in Connecticut does not enter into the picture when the milk price is set. If you think is a no-win situation for farmers, you're right.

On a personal note, my wife and I operate a greenhouse and vegetable operation. And we have Vo-Ag students that -- the ages 14 and 15 who want

to work to complete their curriculum requirements.

And by raising the minimum wage, you're pricing them right out of a job, especially when you consider the many other restrictions that we have on minor-aged labor.

Just for the record, we paid last year for 17 and 18-year-olds \$8.00 an hour plus overtime. Full-time employees received \$11.00 an hour plus overtime and benefits. When you add a Workers' Comp rate of up to 18 percent of payroll, depending on the job classification, which I believe to be one of the highest in the Northeast, you'll be putting Connecticut employees at a distinct disadvantage.

Connecticut Farm Bureau urges your committee to oppose HB-5160 and any other bills which will make the state a difficult one for farmers to do business in.

Thank you for your time.

REP. DONOVAN: Any questions?

I just want to -- actually, it's funny. It's similar to the restaurant owner. But aren't there certain exemptions for workers in farms in terms of below minimum wage? I think for underage as well, aren't there certain exemptions? You pay less than minimum wage. Is that true?

RANDOLPH BLACKMAN: That's --

REP. DONOVAN: Possible. I mean you may not.

RANDOLPH BLACKMAN: The National -- the National Labor Relations Act allows for that. But Connecticut does not. And we cannot pay the 80 percent below minimum wage. And, personally, that's not a -- anything that I'm concerned about because I'm already paying in the neighborhood of 20 percent more. But you're raising that floor. And you're going to price these entry-level jobs out of the market.

REP. DONOVAN: I guess the other point you referred to,

there are certain exemptions. I think there are still some exemptions (Indiscernible - not using microphone). And, also, I think farm workers are the only group that don't have -- still don't have collective bargaining (Indiscernible - not using microphone) workers are kind of left out in terms of forming a union or joining a union. Is that your understanding as well?

RANDOLPH BLACKMAN: They are not included at this point.

REP. DONOVAN: So if an employee wanted to do that right now, according to law they couldn't form a union if they wanted to raise -- try to raise their standard of living. Right? Is that correct?

RANDOLPH BLACKMAN: I'm sorry. I didn't understand.

REP. DONOVAN: So if a worker -- if a farm worker wanted to form a union, under current State law they wouldn't be able to do that. Is that correct?

RANDOLPH BLACKMAN: I believe that's correct.

REP. DONOVAN: Okay. Okay. Any other questions from the committee?

Thank you.

Edith Karsky, followed by Eric Bailey.

EDITH KARSKY: Hi. Chairman Donovan, members of the HB 5160 SB 122 Labor Committee, my name is Edith Karsky and I'm Executive Director of the Connecticut Association for Community Action.

Last May, Treasurer Denise Napier formed a task force on Individual Development Accounts and asked Phil McKane from CTE and me to serve on the task force with 23 other members from business and community groups, financial institutions and State government agencies. Our mission was to expand opportunities for low-income families to save by making IDA's more available and by educating people about them.

Individual Development Accounts are innovative

creates hope and jobs and enterprises, builds families, communities and economies and develops assets and enduring escapes from poverty", end quote.

Thank you for the opportunity to speak on this very important initiative. And we hope the Labor Committee unanimously endorses the IDA legislation. I would just like to also say that CAFCA dittoes the remarks made earlier by Leslie Brett on the legislation proposed to increase the minimum wage.

HB 5160

Thank you.

REP. DONOVAN: Thank you.

Questions from the committee? No.

Thank you.

EDITH KARSKY: Thank you.

REP. DONOVAN: Eric Bailey, followed by Sharon Palmer and Jim Lohr.

ERIC BAILEY: Thank you, Representative Donovan and members of the Labor Committee. My name is Eric Bailey and I'm representing the Connecticut Citizen Action Group. I'm here today to testify in support of HB-5160, AN ACT INCREASING THE MINIMUM WAGE. I have submitted written testimony. So I'm just going to basically summarize my remarks.

CCAG supports this legislation for a number of reasons. Primarily, it's about helping working families out in the state of Connecticut. Even what you're considering raising it to, it barely covers the Federal poverty level for a family of three and doesn't cut it for a family of four.

And what we're talking about is an economy that's been very prosperous here in Connecticut and throughout the country. We're talking about spreading some of that prosperity around to the working-poor families in Connecticut.

So we feel that this is a very important piece of

legislation. But what's also important about it is indexing it. It's ridiculous that we have to come back and revisit this issue every year or every other year and continue to say, "Well, we're going to raise it a quarter here or 15 cents there or 25 cents there or 35 cents there." It's time to index the minimum wage for the state of Connecticut so we don't have to keep coming back and revisiting this issue. And it's time to make sure that we're giving the working-poor families of Connecticut the help they really need to make ends meet.

Once again, it's Eric Bailey from CCAG. And we're urging your support for HB-5160.

REP. DONOVAN: Thank you.

Any questions?

Thanks, Eric.

ERIC BAILEY: Thank you.

REP. DONOVAN: Sharon Palmer? Good afternoon.

SHARON PALMER: Hi, Chris. Good afternoon, Representative Donovan and members of the committee. I'm Sharon Palmer, First Vice President of CFEPE, the Connecticut Federation of Education and Professional Employees, affiliated with the AFT and the AFL-CIO. We represent about 23,000 members in Connecticut, several thousand of whom are school paraprofessionals and school-related personnel.

SB 122
HB 5160

I'm here today to testify in support of Raised Bill No. 352, AN ACT CONCERNING PENSIONS FOR MUNICIPAL PARAPROFESSIONALS AND NON-CERTIFIED SCHOOL PERSONNEL. Paraprofessionals are the forgotten employees of school districts and municipalities. They are generally the lowest-paid workers at the municipal level and have lower fringe benefit packages. They are usually women who years ago worked to supplement their husband's income. Times have changed and we are here today to ask for your help in bringing paraprofessionals to a level playing field with other public employees.

More often than that, paraprofessionals now rely on their income to put food on their table and keep a roof over their head. Many of them are single moms with children to raise.

In many Connecticut municipalities, paraprofessionals are the only employees not included in a pension plan. We find maintenance, custodial and secretarial staff have pension plans for the most part and paraprofessionals do not. This is a leftover from the 50's, as I mentioned earlier, when paras worked for, quote, unquote, "pin money". And it's a wrong that needs to be righted.

We find that neither Boards of Education or municipalities want to take responsibility for this wrong. Boards of Education say it's the responsibility of the municipality. Municipalities say it is the Board of Education which must solve the problem.

While this goes on, we have paraprofessionals who have worked with children for 30 years and will be retiring with no pension benefit.

We ask that you help us by supporting Raised Bill 352 to bring parity to these long-overlooked, hard-working employees. And I thank you for the opportunity to speak with you today.

I'd like to mention just a couple of other items. First of all, we strongly support the Occupational Health Clinics. They're a vital part of Connecticut's health system and meet a unique need for Connecticut Workers. And we hope that you will continue to support the work of the Occupational Health Clinics.

We also support the IDA's. It's a way to give people a hand up. We will also like to let you know that we support the minimum wage. And I was struck by the gentleman from the restaurant who testified earlier where he said that we shouldn't raise the minimum wage now in good times because eventually bad times are going to come. And I recall when I first went to work at around 1960 at

SB122
HB5160

a dollar an hour. And if you buy that logic, we'd still be at a dollar an hour.

So I hope that you will support raising the minimum wage. It's something that's needing. And the indexing is very important so that we don't have to come back here every year or two and ask that the minimum wage be raised.

Thanks.

REP. DONOVAN: Thank you. So that means we won't see all these wonderful people here every year. We'll miss you.

Any questions from committee members? No?

Thank you. Thank you.

SHARON PALMER: Thank you, Chris.

REP. DONOVAN: Jim Lohr, followed by Lori Pelletier.

JIM LOHR: Thank you, Representative Donovan, members of the committee. My name is Jim Lohr. I'm the Deputy Director of the Carpenters Labor/Management Program, which is a coalition of more than 1300 contractors and over 23,000 union carpenters throughout New England, here today to testify in strong support of legislation, Raised Bill 5536, AN ACT CONCERNING ILLEGAL SUBCONTRACTING.

This is an issue that the committee has visited before. Last year, members of the committee in bipartisan support passed this legislation. The Chairs were very strong supporters of it. Representative Bernhard who is sitting here now is an active supporter in the Judiciary Committee.

Unfortunately, the day before the legislation came up in the Judiciary Committee, the Workers' Comp Coalition came out against it, along with some other Workers' Comp bills as well, and was able to defeat it by five votes in the Judiciary Committee.

Just to refresh the committee in terms of the issue, this goes back to 1991. The Workers'

prosecutors, the State's Attorneys, aren't thrilled about prosecuting. The reality is it's an economic crime. And that's why the management folks who I've worked with closely on this bill pushed the whole idea, the whole concept of civil penalties, because it's, in effect, an economic crime. The reality is most people aren't going to be thrown in jail for this.

It's not all that dissimilar for the story that was on a out t e ome mprovement contractor sweep- own that we had down in our end of the state where, you know, they arrested a bunch of contractors who weren't registered properly or licensed with the State. You know. They tend to push the economic side of this. And that's what we're trying to push, too, is to have that money go back into the civil penalties, back into the department so that they can continue to be out there enforcing the law.

REP. DONOVAN: Thank you.

Any other questions?

Thank you.

JIM LOHR: And, again, thank you very much for your support last year. We really appreciate it.

REP. DONOVAN: Thank you.

Lori Pelletier, followed by Tom Carusello.

LORI PELLETIER: Good afternoon. Thank you.

REP. DONOVAN: Good afternoon.

LORI PELLETIER: Representative Donovan and the rest of HB 5160 the committee, I'm Lori Pelletier. I'm the Secretary/Treasurer for the Connecticut AFL-CIO and I'm here to talk about a couple of bills.

The first one is Bill No. 123, AN ACT CONCERNING THE REHABILITATION PROGRAMS FOR CERTAIN EMPLOYEES. Plain and simple, this legislation is an attack on vital rehabilitation programs for injured workers,

programs that help workers get back on their feet and earning a decent wage again. Changing the language from "shall" to "may" might sound harmless, but it spells destruction for the process of healing and rehabilitating injured workers and better understanding the nature of occupational illness and injury.

This Raised Bill is an outgrowth of the Governor's budget which seeks to eliminate the Rehabilitation Services Program with the Workers' Compensation Commission. The budget proposal is an affront because it not only attacks injured workers as well as the people who help treat them and diagnose workplace injuries and illnesses, but it also represents a back-door tax cut for the business community. After all, eliminating rehabilitation services as a State obligation will result in a lower assessment on the business community.

The Connecticut AFL-CIO urges rejection of this damaging legislation. Thousands of workers have benefited over the years from specialized rehabilitation services.

The bill does implement a zeroing-out of funding for the Occupational Health Clinic system. This system funds clinics, auxiliary clinics and State agencies, Health, Labor and Workers' Comp, to track and prevent occupational diseases. This system helps us to know the patterns of occupational diseases so that we can treat -- we can target preventative programs on emerging problems, such as latex allergies and carpal tunnel syndrome. It funds the prevention activities when clusters emerge.

We need to protect these programs and increase their funding because they are part of a spectrum of assessing, diagnosing and treating occupational injury and illnesses. We need to keep the rehabilitation services intact and we need to restore the funding and staff of the Occupational Clinic System that is charged with making our workplace healthier and safer.

The second issue I had submitted written testimony HB 5160.

on regarding the increase in minimum wage, HB-5160.
What I find disheartening is the earlier testimony of both the restaurateur and the farmer and the fact that they are blaming their woes on someone who is earning basically, you know, \$40.00 a day. It takes three hours of their work to get a tankful of gas these days. And with the state of Massachusetts raising their minimum wage up to \$6.75, we're no longer the leader on that front.

Alone within the state of Connecticut here, we enjoy the fact that we pay 20 percent more for our cost of living and we have all sorts of things that are going on. Maybe these previous speakers should talk and be angry with companies like United Technologies and Allied Signal and Electric Boat for laying off the people that come in and buy the products that they are willing to sell.

So I urge your support for increasing the minimum wage as you have in the past. And the minimum wage workers of Connecticut thank you for your support in the past. And I'll gladly answer any questions.

REP. DONOVAN: Thank you.

Any questions? I just found out that for farm workers, if you're a worker between the age of 14 and 18, the minimum is 85 percent of the minimum wage. And if there are less than eight employees on the farm and that's also between the 14 and 18-year range, only obligated to pay 70 percent of the minimum wage. So they have a decrease in minimum wage as well.

Any questions from the committee?

All right. Thank you.

LORI PELLETIER: Thank you.

REP. DONOVAN: Tom Carusello, followed by Willis Reinke.

SB 353 SB 352 SB 388 HB 5536 HB 5537 HB 5544
TOM CARUSELLO: Representative Donovan, members of the committee, my name is Tom Carusello. I'm the SB 62 (HB 5154) Political Director for the Connecticut AFL-CIO. HB 5617 HB 5160
I'm going to talk about a number of different

bills, just where we stand, the 260,000 members of the Connecticut AFL-CIO here in the state of Connecticut.

First on SB-353, the minimum retirement benefits for State employees, this bill has been here many times. And as the years go on, there are fewer and fewer people as those State employees that would be eligible for those benefits continue to pass away. It is time to do something for those people.

I know that we can all wait out the problem. But the truth of the matter is there are people that worked here in the state of Connecticut and for the State of Connecticut that truly need an increase and a minimum retirement benefit.

On Bill 352 concerning the paraprofessionals, Sharon Palmer from CFEPE spoke eloquently to this issue. Understand, though, that people that are paraprofessionals need pensions just like all other workers here in our society. And if that is your career, that because you are in this career of a paraprofessional, you should not be shut out from the -- from getting a pension after you're done with your career.

On Bill 388 concerning MERF, we certainly support the idea of 20 years and 45 years old getting a full pension.

On Bill 5536 on the illegal contracting, we support the bill this year, as we did last year. And we certainly hope that we can move that legislation this year.

On HB-5537 concerning Social Security offsets and MERF, we support this legislation. But we also -- we truly believe that if people pay into both the MERF pension plan and into Social Security that they should be able to receive both a pension from MERF and Social Security and not have one offset by the other. The MERF pension should be separate and distinct from Social Security and, if you pay into it, you should be entitled to collect it.

On Bill 5544, which is the deferred retirement

option plan, we support that legislation. We think that it's an innovative way to increase people's pensions at the end of their career. And if you take a look at that legislation, it also helps a municipality because the last three to five years of a person's employment with the municipality, that municipality would not have to pay into the pension plan for the employee. So I think it's an innovative way of increasing people's benefits the last few years of their career with a municipality.

On Bill 62 concerning employers liability and Worker Comp, we support that.

On Bill 5254, which is Representative Prelli's legislation concerning taking -- taking pensions away from State employees who are -- who are charged with a crime, we are -- the question was asked of me today if that pertains to State Representatives and State Senators also. But we certainly oppose that without -- because it's so ridiculous I don't want to get into it.

(HB 5154)

And 5617, hazardous duty retirement, a 20-year retirement for hazardous duty employees, as a former firefighter in the city of Waterbury, I understand that 20 years on any fire department or police department certainly is enough. You get burned out and it's time to let the younger people do that job. And so we support that legislation.

Just to add to the Secretary/Treasurer of my organization on the minimum wage, we have heard the story before about higher wages and people are going to go out of business and jobs are going to be lost and, you know, the doom and the woes of the economy. The minimum wage was raised nationally a few years ago. It was raised in Connecticut last year. And we have record low unemployment in the state and in the nation. And people, when they get an increase in the minimum wage, even to \$6.75 an hour, they don't take this money and bury it in the back yard and they are not the people that are sending it over to Switzerland. What they do is they put it back into the economy. And so it just goes 'round and 'round. It makes the economy work.

HB 5160

And as far as farm workers in the state, they not only are not allowed to bargain collectively, they are barred by State legislation and Federal legislation on the right to organizing, which is just unfair. And as Representative Donovan pointed out, they are -- they do not make the minimum wage of the state of Connecticut.

But in New York, Governor Patacki, a Republican Governor, just last month signed legislation raising the minimum wage for farm workers in New York. And so we certainly hope that we can do something for those low, underpaid workers here in the state of Connecticut.

Thank you.

REP. DONOVAN: Thank you.

Comments? Questions?

Yes, Representative Bernhard.

REP. BERNHARD: Thank you, Mr. Chairman.

On Bill 388, allowing someone to retire with a full pension after 20 years of service and 45 years of age, what is it presently?

TOM CARUSELLO: I actually -- I know it's not 20. I don't know what it is. But I know it's not 20.

You know, the peanut gallery has told me --

REP. BERNHARD: You got a coach. Good.

TOM CARUSELLO: -- that it's 25 years with no age.

REP. BERNHARD: With no age.

TOM CARUSELLO: With no age requirement. Right.

REP. BERNHARD: So after you have 25 years of service, you retire with a full pension. And the proposal now is 20 years of service and --

TOM CARUSELLO: At 45. So I guess if you had started

working at 20 and you went 25, you could retire at 45 anyway. I think the truth of the matter, though, Representative, is that you find very few people who, after they work in a municipality that's in a MERF plan, who actually have the ability after 20 years and that age to retire. I think very few people are able to do that because, you know, the benefit level that you get after 25 years is not enough for you to -- you end up having to go out and get another job. So I think you'll see people stay and continue to work in a municipality.

REP. BERNHARD: Thank you.

TOM CARUSELLO: Thank you.

REP. DONOVAN: Thank you.

Willis Reinke, followed by Robert Ohmes.

Good afternoon.

WILLIS REINKE: Good afternoon, Representative and members of committee. My name is Willis Reinke. I'm the General Manager of the Olive Garden restaurant in Danbury, Connecticut, part of Garden Restaurants. Thank you for the opportunity to speak briefly with you here today. And I wanted to address, obviously, the minimum wage considerations of the upcoming proposed bill. HB 5160

Like the restaurateur who spoke earlier, I'm opposed to not actually raising the minimum wage. The only aspect that I would like to address is that portion of it that involves a tip credit for a tip employee.

I think I can bring some interesting perspective to the question. I have spent a number of years as a waiter myself. I spent 20 years-plus as an owner/independent operator of a number of restaurants in Connecticut. And I've been associated with Garden Restaurants, the largest restaurant company, casually dining company in the world, for the past five years, again presently in Danbury, Connecticut.

I think of the 150-odd employees that I have at present in my restaurant, the only ones that are being paid at a minimum wage are the service employees, that is the waiters and waitresses. In fact, I think it's fair to say -- and I may be wrong -- with very few exceptions, these waiters and waitresses make more money per hour than anybody else in the restaurant, probably including a number of my managers, who are well-paid. It is not uncommon at all for a service employee, waiter or waitress, to come in and work a five-hour shift and go home with \$120.00 in cash in their pocket in addition to the wages they'd earned from us.

Presently, Connecticut allows a 23-percent tip credit. In other words, we as an employer are allowed to pay that employee 23 percent less than the Connecticut minimum wage based on the assumption that they're making at least that amount in wages, cash wages from tips.

Many, many other states allow a 50-percent tip credit. This is what I would like to argue would be how the bill -- I would like to see the bill resolved.

Just as a Garden Restaurant employee and General Manager, I certainly look at my financial statements on a daily basis. I compare myself with the other 460 Olive Gardens in the United States. And I sometimes just shake my head and say, "How can those restaurants make the margin they're making and I can't? Is there something wrong with me as an operator?" And then I look and I say, "Where is my problem? Is it in my waist? No. It's in my labor and with my labor costs being three, four, five percent higher here in Connecticut than it is in neighboring states, in Rhode Island, Maryland, Pennsylvania." It puts me at a disadvantage.

And, no, I don't want to be a millionaire. But I certainly want to be able to compete with the other restaurants that I work with. As I mentioned, Olive Garden has roughly 460 restaurants nationwide. There are only four in Connecticut.

And there's a pretty good reason for that. The restaurants in Connecticut can't make the margin that the restaurants in many other states make. There are 50 Olive Gardens in Florida, 50 in California, 25 in Pennsylvania. I would like to see the Olive Garden grow in Connecticut. I think there are many markets that are available for the Olive Garden to grow in Connecticut. But I know they won't put another Olive Garden in Connecticut as long as they feel they have to work at a disadvantage in the labor market.

Thank you very much for your time. And I'd be glad to answer any questions you may have.

REP. DONOVAN: Thank you.

Any questions from the committee?

Yes. Ken? Representative?

REP. BERNHARD: Just curious.

WILLIS REINKE: Yes?

REP. BERNHARD: Are you able to actually pay the minimum wage or are you forced to pay higher as it is?

WILLIS REINKE: I pay more than minimum wage to every single employee except my service employees. My dish washers, for instance, who are typically the lowest-paid employee in the restaurant start in the \$8.00 range. Most of my cooks in the back of the house in the 10, \$12.00 range. I pay more to my bartenders. I pay 8, \$8.50, \$9.00 to my host people. I would just like not to have to pay additional monies at this point to the person who is already being paid the most money in the restaurant, the servers.

We try to make the server position in the Olive Garden -- we want to attract the best people possible. We spend an enormous amount of money in training the employees. We provide the employees with benefits that are unheard of in the restaurant industry, health insurance available on day one, paid vacation after one year. We intend to have

them into the restaurant, do their work, finish, go home and not be burdened with all kinds of typical side work you find in many other restaurants. We want them to come in, take care of the guests and go home. And we bend over backwards to make it a very attractive position for them. And I just -- I can't see giving them more and more money when they're already making more money than anybody else in the restaurant.

REP. BERNARD: Thank you.

REP. DONOVAN: I just want to make one comment.

WILLIS REINKE: Sure.

REP. DONOVAN: It's that when we have a State law, it covers the whole state. So we have -- it covers some places that are more affluent than others. And whereas, in some places people go out, they leave good tips. Other places, you know, you -- I know some waiters and waitresses that are happy to get a couple of cents on the thing. So it -- in different parts of -- I mean I'm not saying Danbury is the most affluent. But certainly you -- you border some of the most affluent.

WILLIS REINKE: I understand your point. It certainly runs the full gamut. But I think if you look at the averages, I think you'd find that the service -- and, yes, I'm sure there are pockets where servers may not make that much money. But I think that -- again, if I draw back to my own experience going back a long time ago working as a waiter, working my way through undergraduate school and then operating three separate restaurants, three separate concepts, in Litchfield and Fairfield Counties, I know well what the market bears. I know what people make. There's no doubt about it. I'm not just -- I'm not pointing out the Olive Garden as being the only.

REP. DONOVAN: I understand. All right. Thank you.

WILLIS REINKE: Thank you very much.

REP. DONOVAN: Thank you.

And my first message to this particular committee is to thank you for your consistent support. This is now an annual event to come and talk to you about the Occupational Health Clinics bill which you wrote and passed or had passed back in 1990. But we were very pleased to be celebrating the tenth year of an extremely successful program that has really put Connecticut on the map as an unusual state in making available for its work force very sophisticated diagnostic services so that we can sort out whether a problem is coming from work.

We rapidly go out to the workplace and work closely with the employers to evaluate the problem and take care of it. That is not in the mode of enforcement and threats of legal action. It's in the mode of cooperative problem-solving. Eighty percent of the time we are invited in when we make these phone calls to employers.

And the other way that Connecticut really stands out is in the level of collaboration between its agencies, the Department of Labor, the Department of Public Health and the Worker Comp Commission. It's very unusual for a state to pull its resources together to come in on a problem. And we do that over and over again every year.

I urge you to continue support for this important program and not to allow it to become an optional program.

REP. DONOVAN: Thank you, Eileen.

Any questions from -- Senator? Ah. Thank you.

EILEEN STOREY: Thanks.

REP. DONOVAN: Frank Panzarella, followed by Clarke King.

Hi, Frank.

FRANK PANZARELLA: How are you doing?

I submitted an article that I had in the Hartford Courant as testimony. But I just want to make a

couple of quick comments on a few bills.

I support the labor bills that were mentioned earlier by the representative from the AFL-CIO, just to put myself on record for those bills, including 352, 353, SB-72 and certainly 5160, support for the minimum wage.

And it really strikes me kind of funny that the person here who was here from taverns could be trashing the very people who keep them alive. For the most part, it's average workers who spend most of their time going to taverns and spending their money there because they don't have the big bucks to go off to other places to spend their money. So too bad for him.

But I'm really here especially to talk about SB-123. And I don't know who came up with the number. But that must have been really apt because, to me, it's work -- let's get rid of occupational safety and health, 1, 2, 3. That's basically what it's about. And I really find it to be sad and outrageous.

Just one sweeping political thought to me. I mean every year there are -- we give tens of millions of dollars to major corporations to subsidize and to support them with tax abatements. We give them all kinds of tax breaks. Those same companies like UTC have laid off several thousand workers in Connecticut and shipped their jobs over to places like China where they make parts for Pratt & Whitney. And, yet, we can find less than a million dollars, less than a million dollars, to fund the basic support system, health care system for workers in this state to have some minimal amount of health care?

Right next door in New York State they spend five and a half million dollars. And we can even spend a million -- we can't even find a million dollars to support the people who guarantee us all the other things in our state, that do all the work?

Just a couple of quick examples of what it means. A couple of weeks ago, a worker in New Haven was

.....: Yes. Yes.

SEN. PRAGUE: What do you do for the City of Hartford?

CLARKE KING: You sound like my boss. He asked me the same thing. What do I do? I'm a Community Relation Assistant for the Parks and Recreation Department.

SEN. PRAGUE: Okay. Thank you.

REP. DONOVAN: Thank you.

SEN. PRAGUE: He's not a fireman.

REP. DONOVAN: Jane McNichol, followed by David Case.

JANE McNICHOL: Good afternoon. I'm Jane McNichol. I'm with the Legal Assistance Resource Center, which is the advocacy branch of Legal Services. I'm here to speak briefly, I hope, in support of HB-5160, increasing and indexing the minimum wage, and SB-122, supporting Individual Development Accounts.

I want to speak in support of them because as we are watching welfare unfold, the new welfare system, what we're seeing is people leaving the welfare rolls but not leaving poverty. I wanted to highlight two statistics that indicate the importance of the minimum wage for the poorest workers in the state.

The average earnings of parents still receiving Temporary Family Assistance but working is \$6.50 an hour. And that's been pretty steady over the last year. And six months after leaving Temporary Family Assistance at 21 months, families' average earnings are \$1,035.00 a month, which is less than the Federal poverty level.

Under Temporary Family Assistance, too many heads of households are entering the work force at the bottom of the wage ladder. We support raising the starting point for workers and indexing the minimum wage to assure it reflects the rise in the cost of living over the years.

SEN. PRAGUE: Do Manchester and West Hartford and Hartford all have pensions under the contracts through the Board of Education?

DAVID CHASE: No. It comes from their municipality. It does not come from the Board. Our contract is negotiated with the Board but our pension is with the town.

SEN. PRAGUE: Well, I certainly think you should have a pension. Nothing is more important than a pension and health care when you retire. So -- whatever. Thank you for your testimony.

DAVID CHASE: You're welcome. Thank you for your time.

SEN. PRAGUE: You're welcome.

REP. DONOVAN: Things have changed so much I don't even know what "pin money" means.

DAVID CHASE: Right.

REP. DONOVAN: Rene Reese, followed by Herb Fuhman.

RENE REESE: If it please the committee, we have five of us here for the same bill and we could all testify together.

SEN. PRAGUE: That would be wonderful.

RENE REESE: It does please the committee. We have Dr. Uche Iloeje from the Yale Occupational Medicine Clinic, Judy Sparer, IH at the Yale Clinic, David Schultz from ConnectiCOSH and we have Lou Roller, who is -- we will give him -- we will give the mike to him and he will speak and the rest of us will hand in our testimony.

And I will say that in addition to testifying about Bill 123, I'd like to go on record as being in favor of Bill 5160 and Bill 352.

Thank you.

REP. DONOVAN: Thank you.

000311

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Testimony before the
Labor and Public Employees Committee in Support of
SB 122 - An Act Concerning Individual Development Accounts and
HB 5160 - An Act Increasing the Minimum Wage
by Jane McNichol, Legal Assistance Resource Center of CT
February 22, 2000

Good afternoon. I am Jane McNichol, Director of the Legal Assistance Resource Center of Connecticut, the advocacy and support branch of the legal services programs in the state. We represent low-income citizens in the state and, therefore, have paid particular attention to the effects of the changes in the state's welfare systems.

What we see mirrors national trends: Many families are leaving welfare in Connecticut. Family welfare case loads have dropped from more than 55,000 families three years ago to less than 30,000 families today. But, families are not leaving poverty. Several statistics illustrate the extent to which low-income families remain fixed in poverty even when working:

- Average earnings of parents still receiving Temporary Family Assistance (TFA) are around \$6.50 per hour
- Average earnings of families who have left TFA at the end of 21 months (at the six month post-time limit mark) are \$1,035/month, or \$12, 420, which is below the federal poverty level for a family of three.
- Since 1989, the inflation-adjusted median income of Connecticut's bottom 40% of families with children has actually fallen.
- The gap between rich and poor is great in terms of income but even greater in terms of assets: the top 10 percent of Americans command 40 percent of the national income and the top 1 percent control 90 percent of assets. In Connecticut, only 12 percent of residents applying for home mortgages were in low- and moderate-income brackets. Even smaller percentages actually get mortgages.

Today, this Committee is considering two proposals to address the continuing poverty of working families in Connecticut and long-term solutions to this problem.

HB 5160, An Act Increasing the Minimum Wage, would raise the state's minimum wage to \$6.75 per hour and require increases in the minimum wage as the cost of living rises. As noted above, the average rate of pay for working families receiving Temporary Family Assistance is just slightly over the current minimum wage. Given the high cost of living in Connecticut, including the cost of housing, it is virtually impossible to support a family while earning the minimum wage. But, under Jobs First, far too many heads of households are entering the work

000312

force at the bottom of the wage ladder. We support the proposal in HB 5160 to raise the starting point for workers in Connecticut and to ensure that the minimum wage reflects increases in the cost of living in future years.

SB 122 would provide a state system for supporting Individual Development Accounts. Individual Development Accounts are a relatively new strategy to assist low-income working families in asset development. IDAs are matched savings accounts for families saving for investments which will stabilize their lives and lead to wealth accumulation in the future. The proposal before the Committee is the result of the work of a Task Force convened by the State Treasurer to tailor the IDA concept to Connecticut's needs. I was a member of this Task Force and am pleased to support the results of our work.

Under this proposal, the state will provide a maximum of \$2 in matching funds for every \$1 saved by a working family, up to a total of \$1,000 a year and \$3,000 in total. The savings must be used to obtain housing, go to school, start a business or purchase an automobile needed for a job. Private funding sources will also be solicited to provide matches to families' savings.

Participants in the matched saving program must be part of a program run by a community-based organization, which offers financial management education along with monitoring the savings activity of the participants. Participants in IDAs who shared their experience with the Task Force indicated that this financial training was as important, if not more important, than the savings match.

IDAs are a relatively new concept - but Connecticut, despite its great wealth, has fallen behind other states in the establishment of this new support system for families working to get out of poverty. We should take this opportunity to help families move out of poverty for good.

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**TESTIMONY OF LORI J. PELLETIER, SECRETARY-TREASURER
CONNECTICUT AFL-CIO
LABOR AND PUBLIC EMPLOYEES COMMITTEE
FEBRUARY 22, 2000**

Good afternoon Senator Prague, Representative Donovan and members of the Committee. My name is Lori J. Pelletier, and I serve as Secretary-Treasurer of the Connecticut AFL-CIO, a statewide labor federation advocating for more than 260,000 workers.

The Connecticut AFL-CIO supports HB 5160, An Act Increasing the Minimum Wage. In the midst of a booming state economy with record low unemployment, people are falling behind.

The gap between rich and poor has widened dramatically. Child poverty has not only increased, but many of those children are living in families where one or both parents work.

Good-paying manufacturing jobs are disappearing, to be replaced by much lower-paying service sector jobs.

Many residents who have left welfare for work do not have sufficient economic resources.

There are many legislative steps that can be taken to close the wage and wealth gap, and to help raise Connecticut's wage floor. One way is to increase our minimum which is currently \$6.15 an hour. A person working at that wage would earn less than \$13,000 a year, which is 30 percent lower than the federal poverty line.

According to the Economic Policy Institute, our minimum wage should be around \$6.75 simply to make up for lost purchasing power over the last two decades.

In this age of multi-million dollar CEO packages, surely our state can find a way to help boost the wages of those who clean the buildings and make the beds for those executives at their hotels. Surely we can find a way to help all workers by not only raising Connecticut's minimum wage, but also indexing it to the cost of living to prevent further erosion in its already minimal purchasing power.

Thank you for your time and attention.

--End--

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000403

TESTIMONY OF
BONNIE D. STEWART
COUNSEL
CONNECTICUT BUSINESS AND INDUSTRY ASSOCIATION
BEFORE THE
LABOR COMMITTEE
LEGISLATIVE OFFICE BUILDING
HARTFORD, CONNECTICUT
FEBRUARY 22, 2000

Good afternoon. My name is Bonnie Stewart. I am counsel for the Connecticut Business and Industry Association (CBIA). CBIA represents more than 10,000 companies in Connecticut. Our membership ranges in size from one-person shops to large industrial corporations; the vast majority of our members are small businesses with fewer than fifty employees.

CBIA opposes HB-5160 An Act Increasing the Minimum Wage. HB-5160 raises the state minimum wage to \$6.75 per hour on January 1, 2001 and increases each following year by linking it to the Consumer Price Index.

The consumer price index is low now; future rates of inflation can not be predicted, and may have an enormous negative impact. Annually increasing the state's minimum wage, as this bill does, places Connecticut companies at a competitive disadvantage.

Connecticut's minimum wage is one of the highest in the country. It is significantly higher than the federal minimum wage as well.

Indexing the starting wage will not only affect companies that pay it, but also those who pay above the starting wage as many companies will be forced to increase their wages. The result will be fewer jobs for people at the lower end of the pay scale, the very people proponents of the measure claim they are trying to help.

We urge you to reject HB-5160.



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Testimony of Eric Bailey

Good afternoon Senator Prague, Representative Donovan and members of the Labor Committee, my name is Eric Bailey and I am representing the Connecticut Citizen Action Group (CCAG). I am here today to testify in support of House Bill 5160 An Act Increasing The Minimum Wage.

Increasing the state's hourly minimum wage to six dollars and seventy-five cents barely exceeds the federal poverty threshold for a family of three and fails to exceed the federal poverty threshold for a family of four. In order to meet the needs of today's working poor families we must establish future increases in accordance with the consumer price index.

At a time when our country appears to have a prosperous economy, should not everyone benefit from that prosperity? Connecticut has the opportunity once again to lead the way by not only increasing the minimum wage, but we must commit to indexing it now, so that we do not have to revisit this issue each year.

Thank you and I urge your support for House Bill 5160.

CONNECTICUT CITIZEN ACTION GROUP

Putting People First



000405



Connecticut Farm Bureau Association, Inc.

510 Pigeon Hill Road • Windsor, CT 06095-2141 • (860) 298-4400 • Fax (860) 298-4408

**Testimony in front of the Labor and Public Employees Committee
February 22, 2000**

HB 5160 An Act Increasing the Minimum Wage

Good afternoon Senator Prague, Representative Donovan and members of the Labor and Public Employees Committee. My name is Randolph Blackmer and I represent nearly 5000 farm families who are members of CT Farm Bureau. *I am here today to respectfully provide testimony in opposition of raised HB 5160, An Act Increasing the Minimum Wage.*

First let me start by saying that people working in our agricultural industry receive an average wage of \$8.68 per hour. This figure is based on the November 1999 New England farm labor statistics tracked quarterly by the United States Dept of Agriculture (USDA). While I am not able to break Connecticut out of those statistics, I am sure you will agree that workers here in this state receive a higher wage than those working in states up north.

The problem we have with increasing the minimum wage is that the whole "wage floor" then increases. Labor costs on our Connecticut farms account for 20% of our production costs, and Connecticut farmers can ill-afford such increases. This is especially true for the state's dairy farmers whose milk price is set by USDA in Washington, DC. The cost of labor in Connecticut does not enter in to the picture when the milk prices are set. If you think this is a "no win" situation for farmers, you're right.

Connecticut Farm Bureau urges your Committee to oppose HB 5160 and any other bills which will make this state a difficult one for farmers to do business in. Thank you for your time.

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State of Connecticut
GENERAL ASSEMBLY



PERMANENT COMMISSION ON
THE STATUS OF WOMEN

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Testimony of
Leslie J. Brett
Executive Director
Permanent Commission on the Status of Women
before the
Labor and Public Employees Committee
Tuesday, February 22, 2000

Re: H.B. 5160, An Act Increasing the Minimum Wage
S.B. 122, An Act Concerning Individual Development Accounts
H.B. 5259, An Act Concerning the Imposition of Employment
Services Sanctions For Temporary Family Assistance Recipients

Good afternoon Senator Prague, Representative Donovan, and members of the Committee. My name is Leslie Brett and I am the Executive Director of the Connecticut Permanent Commission on the Status of Women. Thank you for this opportunity to offer testimony regarding three bills that will have a significant impact on the economic security of low and moderate wage workers.

First, I would like to urge you to support H.B. 5160, An Act Increasing the Minimum Wage, which would raise the minimum wage to \$6.75 next January, 2001. In addition, this legislation would index the minimum wage to the National Consumer Price Index so that it will keep pace with the real cost of living without legislative action every year – just as the wages of many employees who are not at the minimum wage level are automatically adjusted in the form of “cost of living adjustments” or “COLAS.” Without indexing in the past, it took a full eleven years for entry level workers to get a raise – from the minimum wage of \$4.25 in 1988 to the new minimum wage of \$5.65 in 1999.

The current minimum wage of \$6.15 per hour leads to an annual income, for a full-time worker, of \$11,193. That is still approximately \$2,700 per year *below* the federal poverty level for a family of three. I could simply end my testimony right there, but there is even more bad news: In the last decade, while the Connecticut economy was

Leslie Brett, PCSW
Testimony before the Labor and Public Employees Committee
February 22, 2000

000407
p.2

picking up speed, the top two percentile of Connecticut residents – that is, the top 40% - saw a healthy increase in their earnings. But the bottom 60% actually lost real earnings, when adjusted for inflation, and the poorest folks – the fifth percentile or 20% of Connecticut residents – lost real earnings at a greater rate than in any other state in the nation. Child poverty is going up, not down, in Connecticut; it currently stands at 19%, or nearly one in five children in our state who live below the poverty level. The rising tide of this economy is clearly not lifting all boats, and working families are barely keeping their heads above water.

As you may know, two thirds of minimum wage workers are women, and 85% of them are adults, not teens entering the workforce. And the majority of new workers who are former recipients of Temporary Family Assistance are *also* women – most of whom are working at or near the minimum wage. If we want workers to succeed, and to be able to support themselves and their families, then we have to create a realistic floor on wages – not one that leaves working adults and their children well below poverty. We have recognized this need in this country for over fifty years. We have increased the minimum wage before, and the economy has still flourished.

You have another proposal before you will that offer real economic opportunity to low and moderate income families struggling to lift themselves out of poverty. I urge you to support S.B. 122, An Act Concerning Individual Development Accounts. An IDA program is one of the ways that we can help families reach self-sufficiency and economic security. And it is a concept that is built upon fundamental American values – to help people build assets through hard work and savings. It is appropriate that some of the national leaders who developed this idea at the Corporation for Enterprise Development named their efforts “The American Dream Project.” Robert Friedman, the Chairperson of the Corporation for Enterprise Development has suggested that “IDA’s can be to the 21st century what the Homestead Act and the GI bill were to the 20th century.”

An IDA program has several components: The first is the creation of a special savings account with matching funds, often at the rate of 2 to 1. The special savings account is established with restricted permissible uses: In the case of the proposed bill before you, they are the purchase of a home, tuition payments for higher education or vocational education, retirement, or investment in an entrepreneurial activity. Another component of the program is the close relationship between a community based organization who administers a program at the local level and the account holders who must set financial goals, make regular deposits, and participate in rigorous financial management training. A third component is the potential for public-private partnerships with financial institutions and businesses who can contribute to the IDA fund, manage the accounts, and receive tax credits for their participation.

I would like to offer an example of the circumstances that might face an ordinary single mother with two children who made the transition from welfare to work – and how this program could help her and her family escape poverty. Many recent welfare

Leslie Brett, PCSW
Testimony before the Labor and Public Employees Committee
February 22, 2000

000409
p.4

case managers or special outreach workers, and proposals for increased funding for mental health and substance abuse services, so that TFA recipients can be reached in their communities and helped instead of harmed.

At the PCSW, we see an increase in the minimum wage and the creation of Individual Development Accounts as part of a strategy to turn our attention to policies that build assets – both financial and human assets - and build pathways out of poverty. In the midst of economic growth, we should find all the ways we can to create opportunities for every family to share in hope and prosperity. Thank you.

SB 122
HB 5160

000415

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**Testimony in Opposition to Bill 5259, AAC the Imposition of Employment
Services Sanctions for TFA Recipients**

and

In Support of Raised Bill 5160, AA Increasing the Minimum Wage
Shelley Geballe, JD, MPH, President

To: Sen. Prague, Rep. Donovan, and other Members of the Labor and Public
Employees Committee

In Opposition to Bill 5299. Advocates for CT's Children and Youth (the partner HB 5259
lobbying organization of CT Voices for Children) expresses its strong opposition
to Bill No. 5299, which would change the TFA sanctioning process in such a way
that a recipient could far more rapidly move to a third sanction, and loss of all
benefits for her children and herself. Because the TFA caseload has fallen so
dramatically since 1996 (due in part to our strong economy and in part to the
TFA rules) the families who are still remaining on TFA – who have not been able
to enter the workforce yet, or who have earnings so low that they are eligible for
extensions -- are among the most vulnerable of the TFA families.

Compared to the TFA population on average when Jobs First began in 1996, the
families that remain have many more barriers to employment – a chronically ill
child, low education level, little work experience, problems with transportation,
poor English proficiency, etc. Rather than making it easier to sanction these
families off all support for "non-compliance" with program rules, it would be far
better to use the initial instance of "non-compliance" as the reason for an
immediate referral to the "Safety Net" program for a complete assessment of the
reason(s) for non-compliance and assistance in removing barriers to program
participation.

This bill takes the "three-strikes you're out" sanctioning process of TFA and
speeds it up so much that participants won't even have time to see the next pitch
before they are thrown out of the game. Far fairer to have non-compliance
trigger an assessment about why the batter didn't see the first ball.

In Support of Bill 5160. Since the late 1980s, the poorest 5th of Connecticut
families have experienced a greater loss of real income than the poorest families
in any other state (a loss of about \$6,160 in annual income (or 26%): from
\$23,775 in the late 1980s to \$17,615 in the late 1990s, in 1997 dollars).

Also, since the late 1980s (when the economy was last so strong), the median
hourly wage for the poorest 20% of CT workers declined: from \$9.20/hour in

000416

1989 to a low of \$8.06/hour in 1996, to \$8.30/hour in 1998 (in 1998 dollars). Only in the last two years has a tight labor market triggered this increase since 1996 in this median hourly wage, however it is still far short of the 1989 rate. These wage and income trends pose particular challenge for CT families given Connecticut's high cost of living.

Two years ago, the General Assembly increased the state minimum wage. Despite protestations that this increase would cause harm to the CT economy, the economy continues to soar. Not passed two years ago, however, was a provision to index the state minimum wage to the consumer price index so that it could be adjusted annually to reflect inflation. This bill would do that, and also increase the state minimum wage to \$6.75/hour effective January 1, 2001.

The proposed increase in the state minimum wage would result in an annual income for a parent working full-time, full-year at this wage of \$14,040. This amount is still well below the *current* federal poverty level for a family of 4 (\$16,700/year).

Absent the passage of a refundable state earned income tax credit, that could target supplemental income to these very low wage families, an increase in the state minimum wage is absolutely essential so assure the sound development of the thousands of Connecticut children whose parents are working at low wages. We strongly support such an increase.