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(FORM UPDATED: 08/11/2010)

## WISCONSIN STATE LEGISLATURE ... PUBLIC HEARING - COMMITTEE RECORDS

**2005-06**

(session year)

**Assembly**

(Assembly, Senate or Joint)

**Committee on ... Children and Families (AC-CF)**

### COMMITTEE NOTICES ...

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
- Public Hearings ... **PH**

### INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

- Appointments ... **Appt** (w/Record of Comm. Proceedings)
- Clearinghouse Rules ... **CRule** (w/Record of Comm. Proceedings)
- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)  
(**ab** = Assembly Bill)                      (**ar** = Assembly Resolution)                      (**ajr** = Assembly Joint Resolution)  
(**sb** = Senate Bill)                              (**sr** = Senate Resolution)                              (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**

\* Contents organized for archiving by: Stefanie Rose (LRB) (May 2012)

AB12  
Companion

**Senate**

**Record of Committee Proceedings**

**Committee on Labor and Election Process Reform**

**Senate Bill 12**

Relating to: the state minimum wage.

By Joint Committee for Review of Administrative Rules, by request of 2003-2004 Rule Objection.


February 22, 2005      Referred to Committee on Labor and Election Process Reform.

July 12, 2006          Failed to pass pursuant to Senate Joint Resolution 86.

Patrick Henneger  
Committee Clerk



To: Members of the Wisconsin State Legislature  
From: Charity Eleson, Executive Director, Wisconsin Council on Children & Families  
Re: AB12/SB12 relating to the State Minimum Wage



Thousands of Wisconsin's children growing up in poverty will tell you their hardworking parents deserve a raise. These workers, earning minimum wage, are struggling everyday to meet their most basic needs. While the price of nearly everything else has gone up over the past seven years, they have not received a raise. It is children that suffer most when a family cannot afford stable housing, adequate food, timely healthcare and quality childcare.

In Wisconsin, Department of Workforce Development officials report that nearly half of minimum wage workers are adults and many are heads of households. These workers include cooks who must choose between heating their homes and putting food on their tables, home health aids who can't afford medications for sick children, child care workers who struggle to find time to spend with their own children as they run from one job to another and taxi drivers who can't afford to purchase gas for their family car. It is also important to note that a disproportionate share of minimum wage workers are women and minorities and in most cases their earnings represent a substantial share of the household income.

The current minimum wage is simply insufficient to keep or raise a family of two out of poverty. A full-time minimum wage worker earns just over \$10,700 per year or \$206 per week – an income that falls well below the federal poverty level. To support themselves and their children, a couple with 2 children would have work a combined 3.3 fulltime minimum wage jobs – 132 hours per week – just to make ends meet.

The minimum wage has been losing its purchasing power for decades. The last increase, which took place in two stages - back in 1996 and 1997 - has already been completely wiped out by inflation leaving us back at the 1995 level – a historic low point. If the minimum wage had kept pace with inflation since 1968, the last time it was adjusted for inflation, it would now be \$8.00 per hour.

Citizens across the state have overwhelmingly expressed support for increasing the minimum wage. The business community including the Wisconsin Grocers Association, the Wisconsin Restaurant Association, the Wisconsin Chapter of National Federation of Independent Business, the Wisconsin Merchants and the Wisconsin Manufactures and Commerce has endorsed an increase because they recognize the tremendous benefit to low-wage workers and their families. They also understand the benefits to their businesses realized from lower turnover, less training costs, and higher worker productivity that often stem from higher wages.

Additionally, recent research by the Economic Policy Institute and others has debunked the myth that minimum wage increases necessarily result in job losses. In several instances, minimum wage increases were followed by significant job growth. There are a number of factors that contribute to job loss or gain in specific industries, and the most that can be said is that research does not support the claim that businesses will not be able to absorb increased labor costs in ways other than laying off workers.

It is troubling that with all the support for boosting the minimum wage, tactics continue in the Legislature that prevent implementation of the Department of Workforce Development (DWD) Administrative Rule to increase it. Assembly Bill 12 and Senate Bill 12 are particularly disturbing because they would not only prevent the implementation of the proposed rule but would also remove the authority of the department to increase the minimum wage rate by administrative rule. DWD and its predecessor agencies have had this authority since 1913 when the state moved to enact its first minimum wage. These bills take authority to raise the minimum wage away from the agency charged with building and strengthening Wisconsin's workforce and move it into the Legislature where it becomes a politically charged issue.

Increasing the minimum wage is one of the most direct ways to assist the neediest working families. According to DWD estimates, raising the minimum wage would benefit 101,000 workers the first year and 150,000 in the second. Work should be a bridge out of poverty and stalling action to increase the minimum wage is placing a barrier in the way to economic security for minimum wage workers and their families. The proposed increase to the minimum wage is an important step in bringing additional income into some of Wisconsin's hardworking households and a brighter future for thousands of Wisconsin's children.