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Details:

(FORM UPDATED: 08/11/2010)

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

2009-10

(session year)

Senate

(Assembly, Senate or Joint)

**Committee on ... Labor, Elections, and Urban
Affairs (SC-LEUA)**

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: Gigi Godwin (LRB) (August/2011)

Senate

Record of Committee Proceedings

Committee on Labor, Elections and Urban Affairs

Senate Bill 1

Relating to: a state minimum wage, permitting the enactment of local living wage ordinances, and granting rule-making authority.

By Senators Decker, Kreitlow, Sullivan, Wirsch, Taylor, Lehman, Carpenter, Coggs, Plale, Erpenbach, Miller, Hansen and Vinehout; cosponsored by Representatives Mason, Sinicki, Milroy, Turner, Hilgenberg, Colon, Grigsby, Pope-Roberts, Pocan, Berceau, Kessler, Zepnick, Black, A. Williams, Garthwaite, Soletski, Sherman, Shilling, Benedict, Toles, Krusick and Young.

January 08, 2009 Referred to Committee on Labor, Elections and Urban Affairs.

January 29, 2009 **PUBLIC HEARING HELD**

Present: (4) Senators Coggs, Wirsch, Lehman and Grothman.

Absent: (1) Senator A. Lasee.

Appearances For

- Russ Decker — Senator
- John Huebscher — Wisconsin Catholic Conference
- Joanne Ricca — Wisconsin State AFL-CIO

Appearances Against

- Fred Boyd
- James Buchen — Wisconsin Manufacturer's & Commerce
- Jeff Maurer — Wisconsin Grocer's Association
- Pete Hanson — Wisconsin Restaurant Association
- Jay Creagh — Camp Manito-wish YMCA
- Jen Feltz — YMCA Camps
- Bill Smith — National Federation of Independent Business
- Kathi Kilgore — Wisconsin Association of Campground Owners
- Trisha Pugal — Wisconsin Innkeepers Association

Appearances for Information Only

- None.

Registrations For

- Mark Reihl — Wisconsin State Council of Carpenters
- Bradley Schwanda

- Ann McNeary — CEA Wisconsin Political Council
- Jeff Plale — Senator
- Chris Sinicki — Representative
- Tim Deneen — United Transportation Union
- Deb Sybell — WEAC
- Joe Oswald — Wisconsin Laborers District Council

Registrations Against

- David Storey — Independent Business Association of Wisconsin
- Amy Boyer — Wisconsin Association of Convention and Visitor Bureaus
- Pam Christenson — Wisconsin Petroleum Marketers & Convenience Store Association
- Jason Johns — National Association of Theater Owners
- Wayne Corey — Wisconsin Independent Businesses
- Matt Leibfried — Camp Manito-wish YMCA
- Brandt Christopherson — Camp Manito-wish YMCA
- Elisabeth Montemurro
- Michelle Kussow — Wisconsin Grocers Association
- Doug Johnson — Midwest Hardware Association
- Chet Gerlach — Association of Wisconsin Tourism Attractions
- David Storrey — Wisconsin Retail Council

Registrations for Information Only

- None.

January 29, 2009

EXECUTIVE SESSION HELD

Present: (5) Senators Coggs, Wirch, Lehman, A. Lasee and Grothman.

Absent: (0) None.

Moved by Senator Wirch, seconded by Senator Lehman that **Senate Substitute Amendment 1** be recommended for adoption.

Ayes: (3) Senators Coggs, Wirch and Lehman.

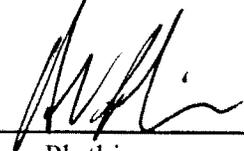
Noes: (2) Senators A. Lasee and Grothman.

**ADOPTION OF SENATE SUBSTITUTE AMENDMENT 1
RECOMMENDED, Ayes 3, Noes 2**

Moved by Senator Wirch, seconded by Senator Lehman that **Senate Bill 1** be recommended for passage as amended.

Ayes: (3) Senators Coggs, Wirch and Lehman.
Noes: (2) Senators A. Lasee and Grothman.

PASSAGE AS AMENDED RECOMMENDED, Ayes 3, Noes 2



Adam Plotkin
Committee Clerk

Vote Record

Committee on Labor, Elections and Urban Affairs

Date: Thur. Jan. 29, 2009

Moved by: WIRCH Seconded by: LEHMAN

AB _____ SB 1 _____ Clearinghouse Rule _____
 AJR _____ SJR _____ Appointment _____
 AR _____ SR _____ Other _____

A/S Amdt _____
 A/S Amdt _____ to A/S Amdt _____
 S Sub Amdt 1 _____
 A/S Amdt _____ to A/S Sub Amdt _____
 A/S Amdt _____ to A/S Amdt _____ to A/S Sub Amdt _____

Be recommended for:
 Passage Adoption Confirmation Concurrence Indefinite Postponement
 Introduction Rejection Tabling Nonconcurrency

<u>Committee Member</u>	<u>Aye</u>	<u>No</u>	<u>Absent</u>	<u>Not Voting</u>
Senator Spencer Coggs, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Robert Wirch	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator John Lehman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Alan Lasee	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Glenn Grothman	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Totals:	<u>3</u>	<u>2</u>	_____	_____

Motion Carried

Motion Failed



**SENATE SUBSTITUTE AMENDMENT ,
TO 2009 SENATE BILL 1**

Adam

*Highlighted sections reflect where
sub is changed from SB 1 to reflect
increases included in AWS 272*

Barb

1 **AN ACT to repeal** 104.001; **to renumber** 104.01 (1); **to renumber and amend**
2 104.045; **to amend** 49.141 (1) (g), 104.01 (intro.), 104.01 (8), 104.05, 104.07 (1),
3 104.07 (2), 104.10, 104.11, 234.94 (5), 234.94 (8), 800.09 (1) (b), 800.095 (4) (b)
4 3. and 895.035 (2m) (c); and **to create** 104.01 (1d), 104.01 (1g), 104.01 (5g),
5 104.01 (5m), 104.01 (7m), 104.035 and 104.045 (2) and (3) of the statutes;
6 **relating to:** a state minimum wage, permitting the enactment of local living
7 wage ordinances, and granting rule-making authority.

Analysis by the Legislative Reference Bureau

Currently, the state minimum wage law requires that employers pay a living wage to their employees. Under that law, the Department of Workforce Development (DWD) has provided, by rule, minimum wages for various types of employees, including employees, generally; minor employees; opportunity employees, which are defined as employees under 20 years of age in their first 90 days of employment with a particular employer; tipped employees; agricultural employees; camp counselors; golf caddies; students employed at independent colleges and universities for less than 20 hours per week; student learners employed in bona fide school training programs; and individuals who are unable to earn the standard minimum wage

because of a disability. DWD has exempted, by rule, from the minimum wage law employees who perform less than 15 hours per week of casual employment, such as baby-sitting or lawn mowing, in and around an employer's home; employees who provide companionship services to elderly or infirm individuals; and elementary and secondary school students performing work-like activities in their schools. DWD has also promulgated rules providing allowances against the minimum wage for employers that provide meals or lodging for their employees.

Under this substitute amendment, DWD will continue to provide the exemptions listed above and separate minimum wages for students employed at independent colleges and universities for less than 20 hours per week, student learners employed in bona fide school training programs, and individuals who are unable to earn the standard minimum wages because of a disability. For other employees, however, the substitute amendment sets the minimum wages, effective on June 1, 2009, or on the day after publication of the substitute amendment, whichever is later, as follows:

Employees generally

Current minimum wage	\$6.50 per hour
Minimum wage on effective date	\$7.60 per hour

Minor employees

Current minimum wage	\$5.90 per hour
Minimum wage on effective date	\$7.25 per hour

Opportunity employees

Current minimum wage	\$5.90 per hour
Minimum wage on effective date	\$6.90 per hour

Tipped employees

Current minimum wage	\$2.33 per hour for nonopportunity employees \$2.13 per hour for opportunity employees
Minimum wage on effective date	\$2.75 per hour for nonopportunity employees \$2.50 per hour for opportunity employees

Agricultural employees

Current minimum wage	\$5.15 per hour for adults \$4.25 per hour for minors
Minimum wage on effective date	\$7.25 per hour for adults \$7.25 per hour for minors

Adult camp counselors

Current minimum wage	\$315 per week if meals and lodging not furnished \$240 per week if meals, but not lodging, furnished \$189 per week if meals and lodging furnished
Minimum wage on effective date	\$350 per week if meals and lodging not furnished \$265 per week if meals, but not lodging, furnished \$210 per week if meals and lodging furnished

Minor camp counselors

Current minimum wage	\$275 per week if meals and lodging not furnished \$209 per week if meals, but not lodging, furnished \$165 per week if meals and lodging furnished
Minimum wage on effective date	\$350 per week if meals and lodging not furnished \$265 per week if meals, but not lodging, furnished \$210 per week if meals and lodging furnished

Golf caddies

Current minimum wage	\$10.50 for 18 holes \$5.90 for 9 holes
Minimum wage on effective date	\$12.30 for 18 holes \$6.90 for 9 holes

The substitute amendment also increases the allowance against the minimum wage that an employer who provides room and board for an employee may take, as follows:

Employees generally

Lodging

Current allowance	\$52 per week or \$7.40 per day
Allowance on effective date	\$61 per week or \$8.65 per day

Meals

Current allowance	\$78 per week or \$3.70 per meal
Allowance on effective date	\$91 per week or \$4.35 per meal

Minor employees

Lodging

Current allowance	\$47.20 per week or \$6.75 per day
Allowance on effective date	\$58 per week or \$8.30 per day

Meals

Current allowance	\$70.80 per week or \$3.35 per meal
Allowance on effective date	\$87 per week or \$4.15 per meal

Opportunity employees

Lodging

Current allowance	\$47.20 per week or \$6.75 per day
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Allowance on effective date	\$55.20 per week or \$7.90 per day
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Meals

Current allowance	\$70.80 per week or \$3.35 per meal
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Allowance on effective date	\$82.85 per week or \$3.90 per meal
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Adult agricultural employees

Lodging

Current allowance	\$41.20 per week or \$5.90 per day
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Allowance on effective date	\$58 per week or \$8.30 per day
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Meals

Current allowance	\$61.80 per week or \$2.95 per meal
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Allowance on effective date	\$87 per week or \$4.15 per meal
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Minor agricultural employees

Lodging

Current allowance	\$34 per week or \$4.85 per day
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Allowance on effective date	\$58 per week or \$8.30 per day
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Meals

Current allowance	\$51 per week or \$2.40 per meal
Allowance on effective date	\$87 per week or \$4.15 per meal

Beginning on June 1, 2010, the substitute amendment requires DWD annually to promulgate rules revising the minimum wages and allowances for meals and lodging established under the substitute amendment by determining the percentage difference between the consumer price index for the preceding year and the consumer price index for the current year, adjusting the minimum wages and allowances in effect on May 31 of the current year by that percentage difference, and rounding that result to the nearest multiple of five cents or, in the case of a camp counselor, the nearest dollar.

Finally, current law prohibits a city, village, town, or county from enacting and administering an ordinance establishing a living wage. This substitute amendment eliminates that prohibition.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 49.141 (1) (g) of the statutes is amended to read:

2 49.141 (1) (g) "Minimum wage" means the state minimum hourly wage under
3 ~~ch. 104 s. 104.035 (1)~~ or the federal minimum hourly wage under 29 USC 206 (a) (1),
4 whichever is applicable.

5 **SECTION 2.** 104.001 of the statutes is repealed.

6 **SECTION 3.** 104.01 (intro.) of the statutes is amended to read:

7 **104.01 Definitions.** (intro.) ~~The following terms as used in In~~ this chapter
8 ~~shall be construed as follows:~~

9 **SECTION 4.** 104.01 (1) of the statutes is renumbered 104.01 (1m).

10 **SECTION 5.** 104.01 (1d) of the statutes is created to read:

11 104.01 (1d) "Agricultural employee" means an employee who is employed in
12 farming, as defined in s. 102.04 (3).

13 **SECTION 6.** 104.01 (1g) of the statutes is created to read:

1 104.01 (1g) “Consumer price index” means the average of the consumer price
2 index over each 12-month period for all urban consumers, U.S. city average, as
3 determined by the bureau of labor statistics of the U.S. department of labor.

4 **SECTION 7.** 104.01 (5g) of the statutes is created to read:

5 104.01 (5g) “Minor employee” means a minor who is paid at the applicable
6 minimum wage rate for minors.

7 **SECTION 8.** 104.01 (5m) of the statutes is created to read:

8 104.01 (5m) “Opportunity employee” means a person under 20 years of age who
9 is in the first 90 consecutive days of employment with his or her employer.

10 **SECTION 9.** 104.01 (7m) of the statutes is created to read:

11 104.01 (7m) “Tipped employee” means an employee who in the course of
12 employment customarily and regularly receives money or other gratuities from
13 persons other than the employee’s employer.

14 **SECTION 10.** 104.01 (8) of the statutes is amended to read:

15 104.01 (8) ~~The term “wage” and the term “wages” shall each mean~~ “Wage”
16 means any compensation for labor measured by time, piece, or otherwise.

17 **SECTION 11.** 104.035 of the statutes is created to read:

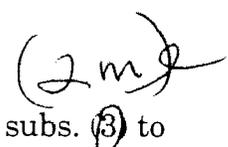
18 **104.035 Minimum wage. (1) EMPLOYEES GENERALLY.** (a) *Minimum rates.*
19 Except as provided in subs. (2) to (8), the minimum wage is as follows:

- 20 1. For wages earned before June 1, 2010, \$7.60 per hour.
21 2. For wages earned beginning on June 1, 2010, the amount determined by the
22 department by rule promulgated under sub. (9).

23 (b) *Allowances for meals and lodging.* Except as provided in subs. (2) (b) and
24 (4) (b), if an employer furnishes an employee with meals or lodging in accordance

1 with rules promulgated by the department under s. 104.045 (2), the employer may
2 deduct the following amounts from the wages of the employee:

3 1. For lodging furnished before June 1, 2010, \$61 per week or \$8.65 per day and
4 for meals furnished before June 1, 2010, \$91 per week or \$4.35 per meal.

5 2. For meals and lodging furnished beginning on June 1, 2010, the amounts
6 determined by the department by rule promulgated under sub. (9). 

7 **(2) MINOR EMPLOYEES.** (a) *Minimum rates.* Except as provided in subs. (3) to
8 (8), the minimum wage for a minor employee is as follows:

9 1. For wages earned before June 1, 2010, \$7.25 per hour.

10 2. For wages earned beginning on June 1, 2010, the amount determined by the
11 department by rule promulgated under sub. (9).

12 (b) *Allowances for meals and lodging.* Except as provided in sub. (4) (b), if an
13 employer furnishes a minor employee or an opportunity employee with meals or
14 lodging in accordance with rules promulgated by the department under s. 104.045
15 (2), the employer may deduct the following amounts from the wages of the employee:

16 1. For lodging furnished before June 1, 2010, \$58 per week or \$8.30 per day and
17 for meals furnished before June 1, 2010, \$87 per week or \$4.15 per meal.

18 2. For meals and lodging furnished beginning on June 1, 2010, the amounts
19 determined by the department by rule promulgated under sub. (9).

20 **(2m) OPPORTUNITY EMPLOYEES.** (a) *Minimum rates.* Except as provided in subs.
21 (3) to (8), the minimum wage for an opportunity employee is as follows:

22 1. For wages earned before June 1, 2010, \$6.90 per hour.

23 2. For wages earned beginning on June 1, 2010, the amount determined by the
24 department by rule promulgated under sub. (9).

1 (b) *Allowances for meals and lodging.* Except as provided in sub. (4) (b), if an
2 employer furnishes an opportunity employee with meals or lodging in accordance
3 with rules promulgated by the department under s. 104.045 (2), the employer may
4 deduct the following amounts from the wages of the employee:

5 1. For lodging furnished before June 1, 2010, \$55.20 per week or \$7.90 per day
6 and for meals furnished before June 1, 2010, \$82.85 per week or \$3.90 per meal.

7 2. For meals and lodging furnished beginning on June 1, 2010, the amounts
8 determined by the department by rule promulgated under sub. (9).

9 **(3) TIPPED EMPLOYEES.** (a) *Minimum rates.* Except as provided in subs. (4) to
10 (8), if an employer of a tipped employee establishes by the employer's payroll records
11 that, when adding the tips received by the tipped employee in a week to the wages
12 paid to the tipped employee in that week, the tipped employee receives not less than
13 the applicable minimum wage specified in sub. (1) or (2), the minimum wage for the
14 tipped employee is as follows:

15 1. For wages earned before June 1, 2010, by a tipped employee who is not an
16 opportunity employee, \$2.75 per hour.

17 2. For wages earned before June 1, 2010, by a tipped employee who is an
18 opportunity employee, \$2.50 per hour.

19 3. For wages earned beginning on June 1, 2010, the amounts determined by the
20 department by rule promulgated under sub. (9).

21 (b) *Allowances for meals and lodging.* If an employer furnishes a tipped
22 employee with meals or lodging in accordance with rules promulgated by the
23 department under s. 104.045 (2), the employer may deduct the applicable amounts
24 specified in sub. (1) (b) or (2) (b) from the wages of the tipped employee.

1 **(4) AGRICULTURAL EMPLOYEES.** (a) *Minimum rates.* Except as provided in subs.
2 (7) and (8), the minimum wage for an agricultural employee is as follows:

3 1. For wages earned before June 1, 2010, \$7.25 per hour.

4 2. For wages earned beginning on June 1, 2010, the amounts determined by the
5 department by rule promulgated under sub. (9).

6 (b) *Allowances for meals and lodging.* If an employer furnishes an agricultural
7 employee with meals or lodging in accordance with rules promulgated by the
8 department under s. 104.045 (2), the employer may deduct the following amounts
9 from the wages of the employee:

10 1. For lodging furnished before June 1, 2010, \$58 per week or \$8.30 per day and
11 for meals furnished before June 1, 2010, \$87 per week or \$4.15 per meal.

12 2. For meals and lodging furnished beginning on June 1, 2010, the amounts
13 determined by the department by rule promulgated under sub. (9).

14 **(5) CAMP COUNSELORS.** The minimum wage for a counselor at a seasonal
15 recreational or educational camp, including a day camp, is as follows:

16 (a) For wages earned before June 1, 2010, \$350 per week if meals and lodging
17 are not furnished, \$265 per week if only meals are furnished, and \$210 per week if
18 both meals and lodging are furnished.

19 (b) For wages earned beginning on June 1, 2010, the amounts determined by
20 the department by rule promulgated under sub. (9).

21 **(6) GOLF CADDIES.** The minimum wage for a golf caddy is as follows:

22 (a) For wages earned before June 1, 2010, \$12.30 for caddying 18 holes.

23 (b) For wages earned before June 1, 2010, \$6.90 for caddying 9 holes.

24 (c) For wages earned beginning on June 1, 2010, the amounts determined by
25 the department by rule promulgated under sub. (9).

1 **(7) MINIMUM WAGE ESTABLISHED BY DEPARTMENT.** The department shall
2 promulgate rules providing the minimum wage for all of the following:

3 (a) An employee or worker with a disability covered under a license under s.
4 104.07.

5 (b) A student learner.

6 (c) A student employed by an independent college or university for less than
7 20 hours per week.

8 **(8) EMPLOYMENT EXEMPTED BY DEPARTMENT.** The department shall promulgate
9 rules exempting from the minimum wage requirements under subs. (1) to (7) all of
10 the following:

11 (a) A person engaged in casual employment in and around an employer's home
12 on an irregular or intermittent basis for not more than 15 hours per week.

13 (b) A person who resides in the home of an employer who, due to advanced age
14 or physical or mental disability, cannot care for his or her own needs, for the purpose
15 of companionship and who spends not more than 15 hours per week on general
16 household work for the employer.

17 (c) An elementary or secondary school student performing student work-like
18 activities in the student's school.

19 **(9) DEPARTMENT TO REVISE.** (a) Subject to par. (b), by June 1 of each year, the
20 department, using the procedures under s. 227.24, shall promulgate rules to revise
21 the minimum wages and allowances for meals and lodging established under subs.
22 (1) to (7). The department shall determine those revised minimum wages and
23 allowances by calculating the percentage difference between the consumer price
24 index for the 12-month period ending on February 28 of the preceding year and the
25 consumer price index for the 12-month period ending on February 28 of the current

1 year, adjusting the minimum wages and allowances in effect on May 31 of the current
2 year by that percentage difference, and rounding that result to the nearest multiple
3 of 5 cents, except that for a minimum wage under sub. (5), the department shall
4 round the result to the nearest dollar. Notwithstanding s. 227.24 (1) (a), (2) (b), and
5 (3), the department may promulgate an emergency rule under s. 227.24 revising the
6 minimum wages and allowances established under subs. (1) to (7) without providing
7 evidence that the emergency rule is necessary to preserve the public peace, health,
8 safety, or welfare and without a finding of emergency. A revised minimum wage or
9 allowance determined under this paragraph shall first apply to wages earned or
10 meals or lodging furnished on June 1 of the year in which the wage or allowance is
11 revised.

12 (b) Paragraph (a) does not preclude the department from promulgating rules
13 to increase a minimum wage provided under subs. (1) to (7).

14 **SECTION 12.** 104.045 of the statutes is renumbered 104.045 (intro.) and
15 amended to read:

16 **104.045 Tipped employees Tips, meals, lodging, and hours worked.**
17 (intro.) The department shall ~~by rule determine what amount of promulgate rules~~
18 governing all of the following:

19 (1) The counting of tips or similar gratuities may be counted toward fulfillment
20 of the employer's obligation under this chapter.

21 **SECTION 13.** 104.045 (2) and (3) of the statutes are created to read:

22 104.045 (2) The deduction of meals or lodging provided by an employer to an
23 employee from the employer's obligation under this chapter.

24 (3) The determination of hours worked by an employee during which the
25 employee is entitled to a living wage under this chapter.

1 **SECTION 14.** 104.05 of the statutes is amended to read:

2 **104.05 Complaints; investigation.** ~~The department shall, within~~ Within 20
3 days after the filing of a verified complaint of any person ~~setting forth~~ alleging that
4 the wages paid to any employee in any occupation are not sufficient to enable the
5 employee to maintain himself or herself under conditions consistent with his or her
6 welfare, the department shall investigate and determine whether there is
7 reasonable cause to believe that the wage paid to any employee is not a living wage.

8 **SECTION 15.** 104.07 (1) of the statutes is amended to read:

9 104.07 (1) The department shall ~~make~~ promulgate rules, and, except as
10 provided under subs. (5) and (6), grant licenses to any employer who employs any
11 employee who is unable to earn the living wage determined by the department,
12 permitting the employee to work for a wage that is commensurate with the
13 employee's ability. Each license so granted shall establish a wage for the licensee
14 employees of the licensee who are unable to earn a living wage.

15 **SECTION 16.** 104.07 (2) of the statutes is amended to read:

16 104.07 (2) The department shall ~~make~~ promulgate rules, and, except as
17 provided under subs. (5) and (6), grant licenses to sheltered workshops, to permit the
18 employment of workers with disabilities who are unable to earn the living wage at
19 a wage that is commensurate with their ability and productivity. A license granted
20 to a sheltered workshop under this subsection may be issued for the entire workshop
21 or a department of the workshop.

22 **SECTION 17.** 104.10 of the statutes is amended to read:

23 **104.10 Penalty for intimidating witness.** Any employer who discharges or
24 threatens to discharge, or who in any way discriminates, or threatens to discriminate
25 against, any employee because the employee has testified or is about to testify, or

1 because the employer believes that the employee may testify, in any investigation or
2 proceeding relative to the enforcement of this chapter, ~~is guilty of a misdemeanor,~~
3 ~~and upon conviction thereof shall be punished by a fine of~~ may be fined \$25 for each
4 offense.

5 **SECTION 18.** 104.11 of the statutes is amended to read:

6 **104.11 Definition of violation.** Each day during which any employer ~~shall~~
7 ~~employ~~ employs a person for whom a living wage has been fixed at a wage that is less
8 than the living wage fixed shall constitute a separate and distinct violation of this
9 chapter.

10 **SECTION 19.** 234.94 (5) of the statutes is amended to read:

11 234.94 (5) "Primary employment" means work ~~which~~ that pays at least the
12 minimum wage as established under ~~ch. 104 s. 104.035 (1)~~ or under federal law,
13 whichever is greater, offers adequate fringe benefits, including health insurance,
14 and is not seasonal or part time.

15 **SECTION 20.** 234.94 (8) of the statutes is amended to read:

16 234.94 (8) "Target group" means a population group for which the
17 unemployment level is at least 25% higher than the statewide unemployment level,
18 or a population group for which the average wage received is less than 1.2 times the
19 minimum wage as established under ~~ch. 104 s. 104.035 (1)~~ or under federal law,
20 whichever is greater. No population group is required to be located within a
21 contiguous geographic area to be considered a target group.

22 **SECTION 21.** 800.09 (1) (b) of the statutes is amended to read:

23 800.09 (1) (b) If the defendant agrees to perform community service work in
24 lieu of making restitution or paying the forfeiture, assessments, and costs, or both,
25 the court may order that the defendant perform community service work for a public

1 agency or a nonprofit charitable organization that is designated by the court.
2 Community service work may be in lieu of restitution only if also agreed to by the
3 public agency or nonprofit charitable organization and by the person to whom
4 restitution is owed. The court may utilize any available resources, including any
5 community service work program, in ordering the defendant to perform community
6 service work. The number of hours of community service work required may not
7 exceed the number determined by dividing the amount owed on the forfeiture by the
8 minimum wage established under ~~ch. 104 for adults in nonagriculture, nontipped~~
9 ~~employment s. 104.035 (1)~~. The court shall ensure that the defendant is provided a
10 written statement of the terms of the community service order and that the
11 community service order is monitored.

12 **SECTION 22.** 800.095 (4) (b) 3. of the statutes is amended to read:

13 800.095 (4) (b) 3. That the defendant perform community service work for a
14 public agency or a nonprofit charitable organization designated by the court, except
15 that the court may not order the defendant to perform community service work
16 unless the defendant agrees to perform community service work and, if the
17 community service work is in lieu of restitution, unless the person to whom the
18 restitution is owed agrees. The court may utilize any available resources, including
19 any community service work program, in ordering the defendant to perform
20 community service work. The number of hours of community service work required
21 may not exceed the number determined by dividing the amount owed on the
22 forfeiture, or restitution, or both, by the minimum wage established under ~~ch. 104~~
23 ~~for adults in nonagriculture, nontipped employment s. 104.035 (1)~~. The court shall
24 ensure that the defendant is provided a written statement of the terms of the
25 community service order and that the community service order is monitored.

Plotkin, Adam

From: Jason Johns [jason@tenutajohns.com]
Sent: Monday, January 26, 2009 5:06 PM
To: Sen.Decker; Worcester, Barbara; Sen.Coggs; Plotkin, Adam; Sen.Wirch; Sen.Lehman; Sen.Lasee;
Sen.Grothman
Subject: Opposition to SB 1
Importance: High
Attachments: Marcus Theaters Opposition to SB 1.doc

Senators;
Please see attached letter from Bruce Olson, President of Marcus Theatres in regards to opposition of SB 1. Feel free to contact me directly with any questions. Thank you.

JASON E. JOHNS



"I have been told I was on the road to hell, but I had no idea it was just a mile down the road with a dome on it." --Abraham Lincoln during his first term in the Illinois State Legislature.



To: Senate Labor, Elections and Urban Affairs Committee

From: Bruce J. Olson, President, Marcus Theatres Corporation

Re: Opposition to SB 1

Cc: Majority Leader Russ Decker

Date: January 26, 2009

Members of the Committee;

On behalf of the Marcus Corporation and the 26 theatres we have around the state, I wish to express our opposition to SB 1.

Marcus is well aware of the trend across the country to increase minimum wage at both state and Federal level to help workers in these tough economic times. We are not entirely opposed to an affordable and fair increase. However, we wish to point out that businesses also suffer during these times, not only their employees. And without employers there can be no employees. Our profit margins have dwindled over recent years. Continued inflationary rises in all of our expenses may result in some closures of Marcus Theatres if they turn in to negative cash flow positions. We recently closed the Westgate Cinema in Madison after 30 years and are considering the closure of at least two other locations at this time.

Our opposition to SB 1 is based on the proposed annual automatic increases in minor and opportunity wage being tied to the consumer price index. The consumer price index is determined based on the ever increasing costs of items such as washing machines, groceries, new automobiles, and other consumer products. All of these items are purchased mostly by adult workers for themselves and their families. The majority of our employees are minor employees and thus they would not be purchasing these items.

In order to compete with other businesses for minor employees, many of our members all ready pay above the minor rate to their employees. However, the amount they pay is determined by the market in their specific area and also based on what they, as a small business, can afford to pay. SB 1 and its automatic increases according to CPI indexing would take this decision away from the theatre owner and make them pay an increased wage on an annual basis whether they can afford it or not.

The burden placed upon a theatre and other small business owners in the state by requiring automatic increases with no end date will result in many businesses closing up shop or scaling down their number of employees both full time and part time along with their benefits. Let us not

forget that in the late 1970's we saw double digit inflation. Do we want minimum wage increasing by 10 plus percent? This would be detrimental to the economy of Wisconsin at a time when it is all ready hurting. What good is an increased minimum wage if there is less jobs for workers to make any wage?

As you are probably aware, the Department of Workforce Development, with support of Governor Doyle, has proposed an administrative rule that would increase adult wage to \$7.25, minor wage to \$7.25, and maintain opportunity wage at its current rate of \$5.90 effective July 24, 2009. Although we are not pleased with the increase over current rates, this rule brings Wisconsin in accordance with the new Federal Minimum wage rates and thus we feel it is a much better option for increasing the minimum wage. Although the Federal and DWD rule set a minor wage of 35 cents more than SB1, neither require an automatic annual increase based on CPI indexing.

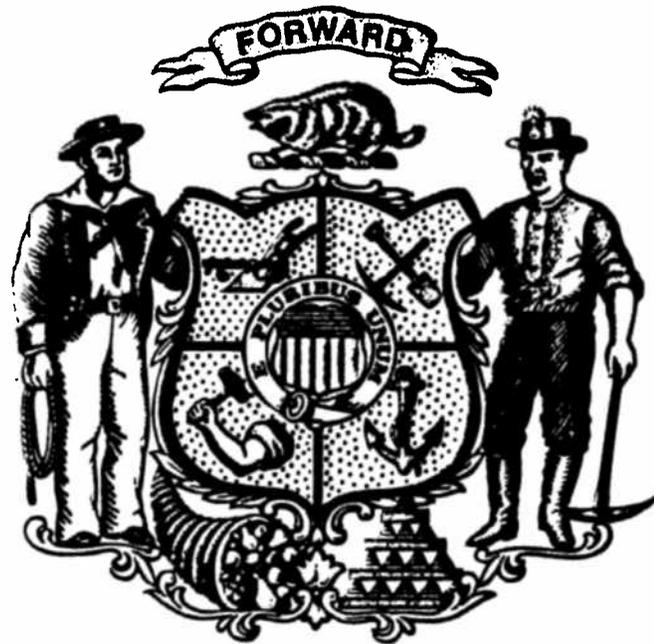
For all of the reasons above I urge you to oppose SB 1.

Thank you,

Bruce J. Olson

President

Marcus Theatres Corporation





WISCONSIN LEGISLATIVE COUNCIL

Terry C. Anderson, Director
Laura D. Rose, Deputy Director

TO: MEMBERS OF THE SENATE COMMITTEE ON LABOR, ELECTIONS, AND URBAN AFFAIRS

FROM: Russ Whitesel, Senior Staff Attorney

RE: Senate Substitute Amendment 1 to 2009 Senate Bill 1, Relating to the State Minimum Wage Law

DATE: January 26, 2009

Currently, the state minimum wage law requires that employers pay a living wage to their employees. Under that law, the Department of Workforce Development (DWD) has promulgated rules setting forth minimum wages for various types of employees, including employees, generally; minor employees; opportunity employees, which are defined as employees under 20 years of age in their first 90 days of employment with a particular employer; tipped employees; agricultural employees; camp counselors; golf caddies; students employed at independent colleges and universities for less than 20 hours per week; student learners employed in bona fide school training programs; and individuals who are unable to earn the standard minimum wage because of a disability.

DWD has provided, by rule, an exemption from the minimum wage law for employees who have performed less than 15 hours per week of casual employment, such as baby-sitting or lawn mowing, in or around an employer's home; employees who provide companionship services to elderly or infirm individuals; and elementary and secondary school students performing work-like activities in their schools. In addition, DWD has promulgated rules providing allowances against the minimum wage for employers who provide meals or lodging for their employees.

Senate Substitute Amendment 1 provides that DWD will continue to provide the exemptions listed above and separate minimum wages for students employed at independent colleges and universities for less than 20 hours per week, student learners employed in bona fide school training programs, and individuals who are unable to earn the standard minimum wages because of a disability. For other employees however, the substitute amendment sets the minimum wages, effective on June 1, 2009, or on the day after publication of the substitute amendment whichever is later.

The following tables show the minimum wages as provided for in Senate Bill 1 and the changes made, if any, by Senate Substitute Amendment 1.

	SENATE BILL 1	SENATE SUBSTITUTE AMENDMENT 1
<i>Employees Generally</i>		
Current minimum wage	\$6.50 per hour	Same as Senate Bill 1
Minimum wage on effective date	\$7.60 per hour	Same
<i>Minor Employees</i>		
Current minimum wage	\$5.90 per hour	Same
Minimum wage on effective date	\$6.90 per hour	\$7.25 per hour
<i>Opportunity Employees</i>		
Current minimum wage	\$5.90 per hour	Same
Minimum wage on effective date	\$6.90 per hour	Same
<i>Tipped Employees</i>		
Current minimum wage	\$2.33 per hour for nonopportunity employees.	Same
	\$2.13 per hour for opportunity employees.	Same
Minimum wage on effective date	\$2.75 per hour for nonopportunity employees.	Same
	\$2.50 per hour for opportunity employees.	
<i>Golf Caddies</i>		
Current minimum wage	\$10.50 for 18 holes	Same
	\$5.90 for 9 holes	Same
Minimum wage on effective date	\$12.30 for 18 holes	Same
	\$6.90 for 9 holes	Same

The substitute amendment also increases the allowance against the minimum wage that an employer who provides room and board for an employee may take as follows:

	SENATE BILL 1	SENATE SUBSTITUTE AMENDMENT 1
<i>Employees Generally</i>		
Lodging		
Current allowance	\$52 per week or \$7.40 per day	Same

	SENATE BILL 1	SENATE SUBSTITUTE AMENDMENT 1
Allowance on effective date	\$61 per week or \$8.65 per day	Same
Meals		
Current allowance	\$78 per week or \$3.70 per meal	Same
Allowance on effective date	\$91 per week or \$4.35 per meal	Same
<i>Minor Employees</i>		
Lodging		
Current allowance	\$47.20 per week or \$6.75 per day	Same
Allowance on effective date	\$55.20 per week or \$7.90 per day	\$58 per week or \$8.30 per day
Meals		
Current allowance	\$70.80 per week or \$3.35 per meal	Same
Allowance on effective date	\$82.85 per week or \$3.90 per meal	\$87 per week or \$4.15 per meal
<i>Opportunity Employees</i>		
Lodging		Same
Current allowance	\$47.20 per week or \$6.75 per day	Same
Allowance on effective date	\$55.20 per week or \$7.90 per day	Same
Meals		
Current allowance	\$70.80 per week or \$3.35 per meal	Same
Allowance on effective date	\$82.85 per week or \$3.90 per meal	Same
<i>Adult Agricultural Employees</i>		
Lodging		
Current allowance	\$41.20 per week or \$5.90 per day	Same
Allowance on effective date	\$48.20 per week or \$6.90 per day	\$58 per week or \$8.30 per day

Meals		
Current allowance	\$61.80 per week or \$2.95 per meal	Same
Allowance on effective date	\$72.30 per week or \$3.45 per meal	\$87 per week or \$4.15 per meal
<i>Minor Agricultural Employees</i>		
Lodging		
Current allowance	\$34 per week or \$4.85 per day	Same
Allowance on effective date	\$39.80 per week or \$5.65 per day	\$58 per week or \$8.30 per day
Meals		
Current allowance	\$51 per week or \$2.40 per meal	Same
Allowance on effective date	\$59.65 per week or \$2.80 per meal	\$87 per week or \$4.15 per meal

Beginning on June 1, 2010, the substitute amendment requires DWD to annually promulgate rules revising the minimum wages and allowances for meals and lodging established under the substitute amendment by determining the percentage difference between the Consumer Price Index for the preceding year and the Consumer Price Index for the current year. Adjusting the minimum wages and allowances in effect on May 31 of the current year by that percentage difference, and rounding that result to the nearest multiple of \$0.05 or, in the case of a camp counselor, the nearest dollar. This requirement does not apply if the Consumer Price Index for the current year has not increased over the Consumer Price Index for the preceding year.

Current law prohibits a city, village, town, or county from enacting an administrative ordinance establishing a living wage. The substitute amendment eliminates that prohibition.

If you have any questions regarding this legislation, please feel free to contact me directly at the Legislative Council staff offices.

RW:ty





ONE SOUTH PINCKNEY, SUITE 504 • MADISON, WI 53703 • 608/244-7150 • FAX 608/244-9030

Testimony given to Committee on Labor, Elections, and Urban Affairs

1/29/09

Presented by: Jeff Maurer
Senate Bill 1

Good morning Chairman Coggs and members of the Labor, Elections, and Urban Affairs Committee. Thank you for allowing me the opportunity to come here and address this committee, offer my opinion on Senate Bill #1, and answer any questions you may as to how this bill may affect local businesses.

My name is Jeff Maurer, I'm a supermarket retailer from Baraboo and a director on the Wisconsin Grocers Association board. I'm here in opposition to Senate Bill 1.

First, for all workers, you are proposing 17% increase in the minimum wage rate vs. the 2008 minimum wage. In these challenging economic times, this is a significant increase in costs to employers. Most retailers right now are fortunate just to have slight increases in revenues, and most I've spoken with, are actually seeing sales decreases. We cannot afford to add 17% more expense to our bottom line. The federal wage is already going to \$7.25 this summer, and you are proposing .35 per hour more. In one supermarket company I am familiar with, this wage increase will amount to \$23,000 per year. This is a small to medium size company, with 4 stores and about 300 employees.

I do not believe that Wisconsin employers should be mandated to pay a higher minimum wage than other states. I believe the federal minimum wage increase is sufficient in this economy. It is also my opinion that competition between businesses for staff keeps wages consistent with the local economies. An employer will not be able to attract good people if their wages are not competitive in the marketplace.

The second point of opposition is the automatic increase in this wage, effective every June. Just like this year, our economy may face tough times, and yet this bill would require an automatic increase. This will again add more costs to companies, many of whom are doing everything they can just to stay in business. Our employees are under a lot of stress as well. Their expenses, like heat, phones, food, etc., are increasing as well, but it is imperative that they continue to be employed. We need assistance staying in business and building staff, rather than additional costs that may impede growth. Just this week alone, major companies across this country have announced close to 100,000 jobs being eliminated. None of us want those job losses to happen in Wisconsin. The increases you are proposing may very well have similar affects to our companies. Wisconsin does not need more people applying for unemployment insurance

The third and final point that I would like to address is the portion of the bill that would allow local communities to enact their own minimum wage. This has the potential to create more issues for those employers that operate in multiple towns and cities across Wisconsin. For example, take Kwik Trip that has more than 300 stores in various locations in Wisconsin.

I'm sure you can see that having multiple minimum rates over many different communities will be very difficult to manage and operate their business. And then I think about those entrepreneurs that are in search of a site for their new business. If it is an industry that relies on minor employees, like supermarkets, tourism, and restaurants, I'm sure they would look more closely at those towns with a lower wage rate. I think they should focus on selecting a site that is best for their business, not choosing a particular location because that community has a lower minimum wage.

You have heard many times of the "razor-thin" margins in the grocery industry. That has never been more true than this past 12 months. The "pie" is only so big...if payroll costs go up, which is our number one cost of doing business, we will need to reduce other expenses. That could be other benefits, like health insurance, 401K plans, or just reduce the number of people that we employ.

Again I thank you for allowing me to speak with you today, and I personally think in these very trying times, our government's time would be best spent looking for ways to help employers build their businesses and add more staff. I believe this bill does the opposite.

Thank you for your time.





WISCONSIN CATHOLIC CONFERENCE
TESTIMONY IN SUPPORT OF RAISING THE MINIMUM WAGE
Presented by John Huebscher, Executive Director
January 29, 2009

On behalf of the Wisconsin Catholic Conference, I urge the Committee to support Senate Bill 1 to increase the minimum wage in Wisconsin. We believe such an increase is consistent with the tenets of Catholic social teaching on the dignity of workers, the needs of low income wage earners in our state, and the principles that have driven welfare reform at both the state and federal levels.

For over a century, the Catholic Church has addressed the rights of workers in modern industrial societies in light of the principles of Catholic social teaching. A number of these principles are relevant to a discussion over the minimum wage.

The Dignity of Workers. Ultimately, the value of work is grounded in the dignity of the human beings who do it. Just as every life has value, so too does every worker have dignity. Wages are a critical way by which we recognize that dignity.

Rights and Responsibilities. Our rights are grounded in our responsibilities to ourselves and to others. Thus the right of every person to a job is grounded in the twin responsibility to develop, at a minimum, one's own God given skills to the fullest and to provide for one's own needs and those of one's family. This is why Catholic social teaching has long defined a just wage in terms of a "family wage," or that necessary to meet the needs of a family.

Citizens and Consumers as "Indirect Employers." In his 1981 letter, *On Human Work*, Pope John Paul II asserted that the responsibility to treat workers justly is not limited to those who hire them. This duty extends to all persons and institutions such as government, financial organizations, and others, who influence the structures and conditions in which work is performed. Pope John Paul II referred to these entities as "indirect employers." In a democracy and consumer-driven economy such as ours, we the voters and consumers can be thought of as "indirect employers" to the extent that our choices govern decisions in the market place.

The Minimum Wage as a "Family Wage." As Msgr. John Ryan wrote nearly a century ago, the wage paid to an unmarried man or woman must be equal that of a breadwinner. He grounded this belief in three arguments. First, equal pay for equal work prevents discrimination against breadwinners. Second, childless workers have the same right as other workers to a wage that values the work they do. Third, workers who are paid a family wage before they form families will be able to set aside savings to provide for the needs of their future families. Thus, we oppose the creation of a "sub-minimum wage" for certain classes of workers.

In applying these principles, SB 1 addresses the needs of the Wisconsin worker, preserving the value and dignity of work.

As the Wisconsin Council on Children and Families reported last year, raising the minimum wage will help over 250,000 workers, fully 10 percent of the labor force. We note that 70 percent of these workers are adults. Many are parents. Indeed, nearly more than 90,000 of our state's children have parents who earn the minimum wage. In this context, raising the minimum wage is one way to strengthen Wisconsin's families.

We also note that many of the workers affected by this bill are employed in the service sector, especially in the retail trade, leisure, and hospitality industries. As we determine the justice of our minimum wage, we who are consumers of these leisure activities and therefore "indirect employers" must ask ourselves, "What can workers who make our leisure activities possible buy with the wages they earn? And are their wages sufficient to pay for their essential needs?"

We specifically endorse the provision of SB 1 that provides for the regular indexing of the minimum wage to reflect fluctuations in the cost of living. Such periodic adjustments are necessary if wages are to remain sufficient to allow workers to meet their needs and those of their families.

Even as we endorse SB 1 we ask that it be improved in one respect. The scope of this bill should include grants paid to W-2 workers. Wisconsin Works is touted as a work-not-welfare program. One of W-2's core principles is that only work should pay. A second principle is that the justice of the Wisconsin Works program be measured by how the working poor are treated.

If the wages paid to all workers, even the "working poor," are truly just wages that enable them to support families or prepare them to do so, then the words "only work should pay" will ring true. If, however, we tell the poor that they should work and then refuse to pay a just wage for their work, then the words "only work should pay" will be incomplete.

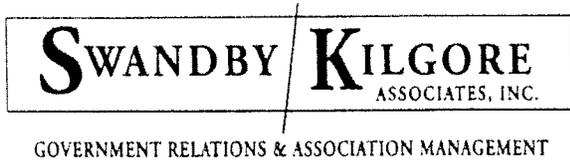
In this particular debate, we may hear we can't afford to raise the minimum wage in this troubled economy. But workers do not lose their dignity in a recession. Their obligation to care for their families and secure their own futures does not depend on the stock market.

Nor does a recession relieve "indirect employers" of their moral obligation to assure a climate where just wages are possible. Rather, it is precisely at times like these that it is more important for us to honor our collective obligation to those who are economically vulnerable.

In light of these considerations, raising the state minimum wage is good public policy. It helps those workers who earn the least. It strengthens Wisconsin's families. It allows the rest of us to live up to our duty as "indirect employers."

Your support for Senate Bill 1 is appreciated.





January 29, 2009

MEMORANDUM

TO: Members of the Senate Committee on Labor, Elections and Urban Affairs
Senator Spencer Coggs, Chairman

FROM: Kathi Kilgore, Lobbyist
Wisconsin Association of Campground Owners

RE: **SB 1 – State Minimum Wage Increase**

The Wisconsin Association of Campground Owners (WACO), representing over 200 campgrounds across the state, respectfully requests your opposition to Senate Bill 1.

First, the proposed increase of the general minimum wage from \$6.50 to \$7.60 is simply too large of an increase at this time. The minimum wage is already scheduled to increase to \$7.25 in July and, even though this has been known for some time, it is coming at a very bad time.

The vast majority of campgrounds pay well above the current minimum wage, even for entry-level jobs. With any minimum wage increase, the employees making more than the minimum wage expect increases to maintain their current pay level above the minimum wage.

As you know, businesses are already making tough choices due to the economy. They are laying off and terminating employees and even permanently closing their doors. So is not hard to understand that many businesses cannot afford to give their employees a pay increase this year.

This proposed wage increase could mean more employees losing their jobs or fewer jobs being offered. For example, campgrounds are seasonal businesses. Some campground owners could look at hiring fewer employees for their summer season than they have in the past. This does not mean there is less work to be done. Instead the owner will take on even more responsibilities to make sure the work gets done and ask the employees that they do hire to take on more as well.

Second, tying annual minimum wage increases to the Consumer Price Index is also a concern. Indexing the wage does not take into consideration economic downturns, such as the one we are currently in. The index only favors increasing the wage rate, but never balances with a reduction when an economic downturn occurs or when our economy is coming out of the downturn.

And third, less than four years ago, Governor Doyle signed legislation into law that would prohibit local governments from enacting ordinances that set minimum wages higher than the State's. The reasons for the law's enactment have not changed.

If a municipality were to raise its minimum wage, the businesses in that community would have to consider how to pay for that wage increase. Hire fewer employees and/or terminate existing employees? Raise prices for goods and services?

Not all business can just pick up and re-locate to another community if they do not like the higher mandated wage. Campgrounds can certainly not do this.

But campground customers can. The campground industry is very competitive. If a campground raises its rates or its customer service declines, nothing stops a customer from going to a state park or a private campground in another community that may not have the mandated higher wages.

In conclusion, this is not the time for this legislation. Businesses cannot absorb a pay increase of this size at this time. And by indexing the wage and allowing municipalities to have their own minimum wages, this bill is detrimental to businesses into the future.

The members of WACO respectfully request your opposition to Senate Bill 1. Thank you for your consideration.





Wisconsin

**Statement Before the
Senate Committee on Labor, Elections and Urban Affairs**

By

**Bill G. Smith
State Director
National Federation of Independent Business
Wisconsin Chapter**

**Thursday, January 29, 2009
Senate Bill 1**

Mr. Chairman, and members of the Committee, my name is Bill G. Smith, and I am State Director for the National Federation of Independent Business. The NFIB is the state's largest non-profit advocate on behalf of small and independent business.

NFIB's membership spans the entire spectrum of the business community, ranging from one-person, self-employed operations to firms with hundreds of employees. However, a typical NFIB member employs fewer than ten employees, and reports gross sales between \$350,000-400,000.

Those Main Street labor-intensive firms are opposed to passage of Senate Bill 1.

The opposition of our members to this legislation isn't because they are less compassionate as the proponents of the bill might claim, nor as greedy as those who favor this legislation sometimes argue. Small business owners oppose this proposal because they are on the front line trying to create jobs, grow their businesses, invest in their communities, provide our young people with their first real job experience, and provide meaningful employment opportunities for those individuals with fewer job skills.

Those who support and those who oppose this legislation will disagree over the economic impact of an increase in the state's minimum wage rate.

We have, of course, dueling studies among the proponents and opponents of this legislation that show the impact of a higher minimum wage on the state's economy.

Testimony by Bill G. Smith, NFIB – continued
Senate Committee on Labor, Elections and Urban Affairs
Page Two

The 2007 Minimum Wage Survey of 280 economists conducted by the University of New Hampshire Survey Center, produced results that show the ineffective and destructive impact of minimum wage increases:

- 73% of the economists agreed government mandated hike in the minimum wage causes job loss.
- Nearly half of the survey participants said minimum wage laws have no impact on changes in poverty rates. (Robert Reich, former Secretary of Labor said, “After all, most minimum wage workers are not poor.”)
- And 55% said a higher minimum wage is an inefficient way to address the needs of poor families; 70% said the Earned Income Tax Credit best addresses the needs of poor families, only 9% chose a higher minimum wage to address the needs of poor families.

But Senate Bill 1 would not only increase the minimum wage, but it would do so every year based on some confusing formula tied to the Consumer Price Index, a provision opposed by 70% of our members, according to a recent survey study.

So we have all these negative consequences, as I have just recited from a survey study of 280 labor economists, and now the proponents of this legislation want those consequences inflicted on our economy on an annual basis, year after year.

The indexing of the minimum wage rate would institutionalize all the negatives of rising labor costs, and result in reduced job growth, fewer job opportunities for limited skilled workers, less entry level employment, and constant inflationary pressure throughout our economy. In the current economy, marked by shrinking consumer demand, stagnation of sales and uncertainty for workers and employers alike – automatically increasing labor costs creates the perfect recipe for more job loss, especially among the most vulnerable and least employable workers.

The studies by the economists of the negative impact are very compelling, but the reality is even more compelling when expressed by the real world operators of Main Street small businesses. They struggle every day to meet their payroll, pay their health insurance premiums, keep the lights on, fuel their vehicles, comply with cumbersome, complicated regulations, and pay their taxes.

For over 90 years, **the state** has preemptively established, regulated and enforced a minimum wage rate for Wisconsin workers. This long-standing historical precedent was put into the state statute when the legislature enacted into law it is the sole authority of the state to set the minimum wage rate for all Wisconsin workers. This important legislation, backed by small business, and approved with bipartisan support in both the Senate and Assembly was signed into law by Governor Doyle in June 2005.

Testimony by Bill G. Smith, NFIB – continued
Senate Committee on Labor, Elections and Urban Affairs
Page Three

According to a recent survey study, 74 percent of Wisconsin NFIB members support this law to prohibit a local minimum wage. These small business owners are very concerned about local units of government creating a confusing patchwork of minimum wage laws throughout the state.

It is obvious from both a historical and statutory perspective the establishment of a minimum wage rate is a matter of statewide interest, and we strongly oppose the language in Senate Bill 1 that would eliminate the state's preemption.

If the minimum wage law is a failed economic policy, as we believe it is, then surely increasing the minimum wage and indexing the rate every year will also fail to meet the desired public policy objectives; if the establishment, regulation and enforcement of minimum wage is of statewide interest, as we believe it is, then state law should continue to preempt local minimum wage authority.

Mr. Chairman, I would like to conclude with these closing remarks.

First, as members of the committee are aware, the state's minimum wage will increase from \$6.50 per hour to \$7.25 per hour in July. Wisconsin's minimum rate will then be consistent with the federal rate. When this occurs, there will be some negative economic fall-out. Some workers will receive a raise, others will get fewer hours, no hours of work or loss of employment opportunities.

Recently, the Office of Advocacy of the Small Business Administration released a report headlined "Wisconsin's Economic Recovery Depends on Small Business." NFIB also recently reported the Small Business Optimism Index fell to the second lowest reading in the 35 year history of the survey.

This is a time of tremendous economic challenges for workers and employers alike. It is not a time to pass legislation that will risk employment opportunities or risk placing our small businesses in even deeper economic jeopardy. **The stakes are simply too high.**

Mr. Chairman, **I encourage members of the Committee to oppose passage of Senate Bill 1.**

Thank you.





TO: Members of the Senate Committee on Labor, Elections and Urban Affairs
FROM: James Buchen, Vice President, Government Relations
DATE: January 29, 2009
RE: Senate Bill 1 - Increase and Index the State Minimum Wage and Local Minimum Wage Preemption

Provisions of SB 1

This bill sets the following Wisconsin minimum wage rates on the effective date of the bill:

<i>Employees Generally</i>	
Current minimum wage	\$6.50 per hour
Minimum wage on effective date	\$7.60 per hour

In each subsequent year, the state minimum wage rates would be indexed to the consumer price index, and increase automatically.

The bill also repeals the preemption of local units of governments' authority to set higher local minimum wage rates.

WMC Position

Wisconsin has a longstanding system of reviewing the state living wage, or minimum wage, through a statutory advisory council that reviews both the minimum wage's impact on Wisconsin workers, but also its affect on the economy as a whole.

Because various Wisconsin municipalities enacted, or considered enacting local living wage ordinances in excess of the state and federal minimum wage rates, in the past, WMC and other business groups, participating in the Statutory Living Wage Advisory Council, supported a higher statewide minimum wage in exchange for local units of government being preempted from setting higher local living wage rates.

WMC supports a consistent state and federal minimum wage, and opposes any further increase in the Wisconsin minimum wage beyond the federal rate. WMC strongly opposes any indexing of the state or federal minimum wage. Further, it is extremely important that local units of government **not** have the authority to create a patch work of differing local minimum wage rates.

Conclusion

For these reasons, WMC urges the Committee to vote against this legislation.





Serving the
Lodging Industry
for Over 100 Years

January 29, 2009

To: Senate Committee on Labor, Elections and Urban Affairs
Senator Spencer Coggs, Chair

From: Trisha Pugal, CAE
President, CEO

RE: Opposition to SB 1 State Minimum Wage Increases

With the new Federal Minimum Wage already set to increase almost **11%** this coming July, just one year after a **12% increase** previously went into place, we find it difficult to understand the state of Wisconsin proposing to go even higher than the new federal increase by an additional 4.8% at a time when so many Wisconsin companies are so financially challenged that they are laying off employees or in some cases closing their doors.

While many lodging businesses pay well above the current minimum wage for their entry level positions, the primary concern of our industry is the **impact of this bill's proposed high percentage increase (16.9% from current) on other employees making over minimum wage.**

It was already demonstrated with the last increase in the state minimum wage rate that employees earning wages above the new rates also want increases. Their argument is if entry level workers with lesser skills and a higher need for training are getting high percentage increases, they should certainly be entitled to a similar percentage increase too.

This "**ripple-up effect**" needs to be included in any careful and objective analysis of what a proposal such as this will really do to businesses, and just as importantly whether the actual result will be even further job losses adding an increasing strain on the state's unemployment funds.

In addition, an **indexing component** that only reflects CPI increases, when layered on top of the 16.9% increase, will remove the legislature's ability to analyze the future marketplace with considerations beyond consumer price index increases. An example is if the CPI would go down for a year or more, but the minimum wage does not also go down. When the CPI finally increases, the wage rate would once again go up, in an artificially inflated manner that is not reflective of the economy.

Finally, it is important that there is not a patchwork of local living wage ordinances that could adversely affect both businesses and employees in

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wia@execpc.com
<http://www.lodging-wi.com>



these or neighboring communities. We ask that you **retain the current prohibition of unequal local ordinances** approved with the last minimum wage increase package.

On behalf of over 1,000 lodging properties in Wisconsin, we respectfully ask for your careful analysis of the real impact of SB 1, and ask for your **opposition to this bill and its Substitute Amendment** as they stand.



Wisconsin Retail
Associations
Working Together



Midwest Equipment
Dealers Association

Midwest Hardware
Association

National Federation of
Independent Business

Petroleum Marketers
Association of Wisconsin

Wisconsin Association of
Convenience Stores

Wisconsin Automobile &
Truck Dealers Association

Wisconsin Automotive
Parts Association

Wisconsin Automotive
Aftermarket Association

Wisconsin Grocers
Association

Wisconsin Merchants
Federation

Wisconsin Motorcycle
Dealers Association

Wisconsin Retail
Lumber Association

Wisconsin Restaurant
Association

CONFERENCE OF RETAIL ASSOCIATIONS

**TO: Members of the Senate Committee on Labor, Elections and
Urban Affairs**

DATE: January 29, 2009

RE: SENATE BILL 1

Wisconsin's retailers have recently experienced one of the worst holiday seasons on record. The Department of Revenue's Chief Economist said this week the state has been in a "brutal recession" since September, and retail sales have been in a "free fall." As a result, many retailers are now fighting for their survival as they struggle with continued increases in health insurance premiums, high energy and motor fuel costs, and higher payroll taxes.

Coming off a dismal 2008, the National Retail Federation is predicting more pain for the country's merchants this year.

This marks the first time the trade group has projected a decline in annual retail sales since it started tracking them in 1995.

An increase in the minimum wage will make these economic challenges even more difficult especially for marginal small retailers and less skilled workers.

Senate Bill 1 would push Wisconsin's minimum wage rate higher than the federal rate, would repeal state preemption of local minimum wage laws, and would index the minimum rate putting on the statutes a cycle of higher labor costs on auto-pilot.

Senate Bill 1 would essentially interfere with the ability of the Legislature to make future adjustments in the entry level wage in response to a changing economic climate, and would put vulnerable workers on the front-line to lose their jobs when the mandated wage exceeds their level of productivity. For these vulnerable workers, a 10 percent increase in the minimum wage leads to an 8 percent decrease in employment.

**For these reasons, the members of the Conference of Retail
Associations respectfully request your vote against passage of Senate Bill 1.**

*"We find evidence showing that firm profitability was
significantly reduced by minimum wage introduction."*

Source: The National Bureau of Economic Research





Wisconsin State AFL-CIO *...the voice for working families.*

David Newby, President • Sara J. Rogers, Exec. Vice President • Phillip L. Neuenfeldt, Secretary-Treasurer

To: Senate Labor, Elections and Urban Affairs Committee

From: Phil Neuenfeldt, Secretary-Treasurer & Legislative Director
Joanne Ricca, Legislative & Policy Research Staff

Date: January 29, 2009

Re: **Support for Senate Bill 1
State Minimum Wage Increase**

Thousands of Wisconsin workers struggle to make it to the next day on the current state minimum wage of \$6.50 an hour, including those who are paid slightly above that rate. The message sent by such low wages is that work is simply not valued. Senate Bill 1 will raise the state minimum wage to \$7.60 an hour as of June 2009.

Even more importantly, this legislation will begin in 2010 to adjust the minimum wage each year based on the consumer price index so that the value of the wage will not be eroded by inflation. In this way, we will gradually move from a chronically inadequate minimum wage to a system of rational increases. The livelihood of lower wage workers will no longer fall victim to politics.

Wisconsin will be joining a number of states that already index their minimum wage: Arizona, Colorado, Florida, Missouri, Montana, Nevada, Ohio, Oregon, Vermont and Washington. This is an accepted approach in establishing a minimum wage standard and indexing is already used by the Social Security system to provide needed increases.

The minimum wage as a labor standard was created during the 1930s to ensure some level of dignity and protection for workers so that they would be rewarded for their labor and not fall below a basic wage needed for existence. It would also protect those employers who wanted to be fair to their workers and pay a higher wage, but would be crushed by competitors that would pay the lowest possible wage. This same justification holds true today.

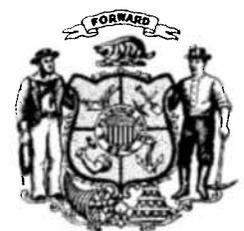
We urge your support.

Any documented negative in indexing -

Exempt on biz



WISCONSIN STATE LEGISLATURE





CITIZEN ACTION OF WISCONSIN

**Organizing people to make Wisconsin
a better place to live and work**

For Immediate Release
January 30, 2009

Contact: Robert Kraig
(414) 322-5324

Citizen Action Praises Committee Votes on Two Pro-Worker Bills

Minimum Wage and Wage Protection Bills Pass Senate Committee

Milwaukee: The Senate Labor, Elections, and Urban Affairs Committee, Chaired by Senator Spencer Coggs (D-Milwaukee) passed two important pro-worker bills Thursday afternoon.

The first bill, SB 1, increases the state Minimum Wage from \$6.50 to 7.60 per hour, and indexes it to inflation thereafter. This much needed bill was authored by Senate Majority Leader Russ Decker (D-Weston).

The second bill, SB 2, the Wage Protection Act, gives worker wages top priority when a company goes bankrupt. The bill was authored by Senator John Lehman (D-Racine). In the 1990s the law was changed to give priority to banks over workers in bankruptcy proceedings.

Both bills are essential relief to workers during this current economic crisis. With many workers being laid off, the economic survival of many working families depends on earning family supporting wages. Further, with corporate bankruptcies increasing at an alarming rate, it is unconscionable that banks, who have already received billions of dollars from the federal government, get their money before workers who desperately need the wages they have already earned to support their families.

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LGVA - Jan. 29 - PH+EC

SB 1

* read registrants on Sweeney

SB 1

- Decker testimony
- GG ?'s
- BW refutes GG
 - local econ. stimulus
 - to state refs. in 2000 including some red states
- SC follow up w/ ? to Decker
- GG on well-heeled lobbyists
- BW on obtaining better staff w/ better wages
- GG on Breske's effectiveness
- Joanne Ricca
 - SC ? on indexing
 - GG on added cost to employers
 - more productivity and less turnover
 - studies show not much job loss
 - implying that min. wage employers are bad?
 - no, but levels playing field
 - harder to get into min. wage job
 - 80% of last increase was benefit for adults
 - bigger income disparity lately
 - BW - in mess now ble left to free market, tried trickle down + voodoo economics
 - workers
- Pete Hanson, W_E Rest. Assn.
 - personal min. wage experience
 - valuable life experience worth as much as \$
 - entry level jobs will go away

①

- Pete Harrison cont.

- already have process to raise min. wage
- better way to index
- BW - McD's had good year in bad economy
 - there is growth in some industry's
 - McD's offers skills training opportunity
- SC - not just entry level jobs
 - industry provides opportunity for higher paying wages
- SC wants documentation on how wages affect job growth
- GG - should follow normal process
 - what/how are members doing?
 - worse

- Jeff Mawyer, WS Grower's Assn.

- auto increase bad
- need to avoid additional cost
- local communities living wage
- SL - states on how many work @ min. wage?
 - about 50% of employees @ min. wage
 - other pressures caused recent layoffs

- James Buchen, WMC

- written testimony
- "staying even is the new increase"
- people don't stay @ minimum wage law
- local living wage bad
- auto increase bad
- BW - Bush made it bad, trying new tack - prime economy through min. wage
 - looking for adequate response

— James Buchen cont.

- competition should help drive wages up
- strong economy
- GB - administrative process is better
 - get good points of view
- SL - auto index saves biz. from major bumps rather than small bumps annually
 - good point
 - bad times really bad
- data driven approach to wages
- SC - easier to plan, get documentation
- Fred Boyd, Bd. of Dir., WI Assisted Living Assn
 - will be receiving a cut in reimbursement from state
 - have cut 25% of staff
 - SC - does anyone @ his business be affected - docs. on
 - GB - do they pay minimum wage?
 - just above, bill will affect
 - can you afford increase?
 - trying to limit turnover and burnd rate
 - SC - will do better if worker making higher wage
- John Huelscher, WI Catholic Conf.
 - has written testimony
 - every worker has dignity, reflected by paycheck
 - min. wage is floor of dignity
 - voters + consumers are indirect employers
 - inflation would have made min. wage about \$10/hr. now
 - having to make more with less
 - GB - how are you here?
 - how of voter position

- John Huchschel cont.

- GG - who are you representing?

- Bishops

- representing cross section of HI in church

- people find a way to pay the wage + adjust accordingly

- living wage creates safety net

- BW - likes John and his message

- St - points to social justice aspect of church

- Jay Creagh (Cray), Camp Manitowish YMCA

- don't want camp counselor wage increases, but bifurcation in sub is better

- Sen Feltz, Camping Services for YMCA

- only focusing on camp wages

- has probably not seen the sub

- Bill Smith, Nat'l Fed. of Ind. Biz.

- indexing opposed by 70% of their members

- local min. wage opposed by 74% of members

- small business optimism index (?)

- SC - copy of labor industry economist report

- BW - bottom up stimulus, are you philosophically opposed to minimum wage?

- he's speaking for biz. owners

- may result in job losses though not sweeping

- likes deliberative council process

- trying different approach from free market

- current crisis different from Great Depression and early 1990's

- Kathi Kilgore, WS Assn. of Campground Owners

- has written testimony
- not time for legislation

- Trisha Pugal, WI Innkeepers Assn.

- has written testimony
- facing considerable challenges
- SL - who represent?
- any licensed hotel in state

again

* SBZ

- John Lehman

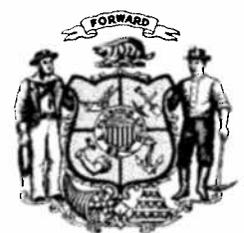
~~Joanne Ricca, Christopher Ahrens, Benjamin Menzel - AFL-CIO~~

- Russ Weyers, Rose Oswald Poets, WI Bankers Assn.

- have written testimony
- will be more difficult to quantify risk
- BW - Obama signing Ledbetter bill first, Johnson Bank good
- SL - 2003 Nettles compromise - AFL not happy, who involved?
 - signed document supporting 2003 agreement
- small number of instances anyway right?
 - agrees (Russ)
 - timing of bill is concerning
- calculations include more than this
- even w/ cap, can still assess employee risk?
 - risk can be quantified, but SBZ increases that risk
 - will restrict ability to borrow
- GG - are you turning down loans? affect size of line of credit?
 - yes and yes



WISCONSIN STATE LEGISLATURE



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- ▶ Lobbying in Wisconsin
- ▶ Organizations employing lobbyists
- ▶ Lobbyists

Presented by the Wisconsin
Government Accountability Board



as of Tuesday, January 27, 2009

2009-2010 legislative session

Legislative bills and resolutions

(search for another legislative bill or resolution at the bottom of this page)

Senate Bill 1

a state minimum wage, permitting the enactment of local living wage ordinances, and granting rule-making authority. (FE)

TEXT sponsors LBR analysis	STATUS committee actions and votes text of amendments	COST & HOURS of lobbying efforts directed at this proposal
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Organization		These organizations have reported lobbying on this proposal:	Place pointer on icon to display comments, click icon to display prior comments		
Profile	Interests		Date Notified	Position	Comments
●	●	League of Wisconsin Municipalities	1/12/2009		
●	●	National Association of Theatre Owners of Wisconsin & Upper Michigan	1/21/2009	↓	
●	●	National Federation of Independent Business	1/21/2009	?	
●	●	United Transportation Union	1/21/2009	?	
●	●	Wisconsin Catholic Conference	1/21/2009	↑	
●	●	Wisconsin Education Association Council	1/21/2009	↑	
●	●	Wisconsin Grocers Association, Inc.	1/19/2009	↓	
●	●	Wisconsin Manufacturers & Commerce	1/12/2009	↓	
●	●	Wisconsin Restaurant Association	1/22/2009	↓	
●	●	Wisconsin State AFL-CIO	1/22/2009	↑	
●	●	WPS Health Insurance (formerly Wisconsin Physicians Service Insurance Corporation)	1/9/2009	?	

Select a legislative proposal and click "go"

House

- Assembly
- Senate

Proposal Type

- Bill
- Joint Resolution
- Resolution