

MINUTES OF THE HOUSE BUSINESS, COMMERCE AND LABOR COMMITTEE.

The meeting was called to order by Chairperson Al Lane at 9:05 a.m. on February 6 , 2001 in Room 521-S of the Capitol.

All members were present except: Rep. Jerry Aday - excused
 Rep. John Ballou - excused
 Rep. Broderick Henderson - excused
 Rep. Mary Kauffman - excused
 Rep. Rick Rehorn - excused

Committee staff present: Bob Nugent, Revisor of Statutes
 Renae Jeffries, Revisor of Statutes
 Jerry Donaldson, Legislative Research Department
 Bev Adams, Committee Secretary

Conferees appearing before the committee: Terry Leatherman, KCCI
 Jim DeHoff, KS AFL/CIO
 Nicole Belville, individual
 Sharon Huffman, Legislative Liaison, KCDC
 Shannon Jones, SILCK
 Bill Beachy, Pres. KS Action Network
 Mary Becker, Kansans Respond
 Sister Therese Bangert, Archdiocese of Kansas City, KS
 Ron Hein, KS Restaurant and Hospitality Assn.

Others attending: See attached list

The minutes of January 30 and 31 were passed out to the committee. They will be acted on tomorrow.

Hearing on: HB 2130 - Raise state minimum wage to equal the federal minimum.

Jerry Donaldson, Researcher, explained that the bill would bring the Kansas minimum wage up to the rate set by the Federal Fair Labor Standard Act. It would also tie future wage increases to the federal minimum wage so that it would automatically raise each time the federal rate is raised so that the legislature would not have to act every time the federal minimum wage was raised.

Terry Leatherman, Kansas Chamber of Commerce and Industry (KCCI), appeared as an opponent of the bill. The KCCI's opposition is grounded in their fundamental belief that what an employer pays an employee in wages and benefits is best determined in free and competitive enterprise, not government imposition. They suggest to the committee that Kansas become the eighth state to have no minimum wage requirement. (Attachment 1) He finished his testimony by answering questions from the committee.

Jim DeHoff, Kansas AFL/CIO, appeared as a proponent of **HB 2130**. Kansas has one of the lowest minimum wage laws in the United States. There are approximately 26,000 Kansas workers who make less that \$5.15 per hour. (Note: Bill Layes, KDHR, verified from the audience that a new study, soon to be released, has the number at 20,000 workers.) Some of the people who work for these low wages are: cooks in fast foods, cashiers, child care workers, parking lot attendants, maids, service station attendants, waiters and waitresses, and vehicle washers. (Attachment 2) He concluded his testimony by answering questions.

CONTINUATION SHEET

MINUTES OF THE HOUSE BUSINESS, COMMERCE AND LABOR COMMITTEE, Room 521-S Statehouse, at 9:05 a.m. on February 6, 2001.

Nicole Belville is a waitress employed by Pizza Hut in Manhattan. She is a proponent of the bill. Currently food servers are guaranteed only the Kansas minimum wage of \$2.65 per hour. Sometime you hear that waitresses really make as much as the federal minimum wage of \$5.15 because tips make up the difference. This is often not true. Tips should not be counted as part of their wage because they are not guaranteed. ([Attachment 3](#))

Sharon Huffman, Legislative Liaison, Kansas Commission on Disability Concerns, appeared as a proponent of the bill. Only three in ten working age people with disabilities are employed full or part-time, two out of three (67%) of whom would prefer to be working. By raising the state minimum wage it will provide some incentives for currently unemployed individuals to go to work. ([Attachment 4](#))

Shannon Jones, Statewide Independent Living Council of Kansas (SILCK), appeared as a proponent of the bill. Obtaining economic self-sufficiency for people with disabilities is recognized as being one of the most important goals of living as independently as possible. Raising the minimum wage would make it more attractive for folks entering the workforce for the first time. Ms. Huffman also talked about the buy-in for Medicaid which would also add incentives for more people with disabilities to become employed. ([Attachment 5](#))

Bill Beachy, President of the Kansas Action Network (KAN), spoke as a proponent of the bill. KAN is a coalition of Kansas citizens concerned with the economic fairness and social justice of our state laws. They think that Kansans that work for less than the federal minimum wage of \$5.15 are not being paid a decent wage. The figures also show that more Kansans work for less than the federal minimum wage than the national average. ([Attachment 6](#))

Mary Becker, Kansans Respond, appeared as a proponent. She furnished the committee with a graph that shows the average income of Kansas families from 1978-1998. The disparity between the poorest and the richest continues to increase in Kansas and in all states but four over the last two decades. Emergency service providers throughout the state are reporting a high volume of clients, with continuing increases. People earning low wages are turning to community agencies for emergency help with rent, utilities, food, transportation, medical care, and prescription drugs. ([Attachment 7](#))

Sister Therese Bangert, Archdiocese of Kansas City, Kansas, is concerned about the parents who are working but not able to provide for the basic needs of their children. The Catholic Charities in the Archdiocese serve 60,000 Kansans. They believe that the basic right of workers must be respected - the right to productive work and the right to decent and fair wages. Charts in her testimony show what persons in different households must earn to have an "adequate but austere" income. ([Attachment 8](#))

Ron Hein, Kansas Restaurant and Hospitality Association (KRHA), appeared before the committee as an opponent of **HB 2130**. He told the committee that when the minimum wage is bumped up, all wages must be raised, as the employees who see others who have their wages raised, want theirs raised also. He also felt that the bill as written may be unconstitutional. The KRHA would support the repeal of the state minimum wage but if the committee supports the bill, they propose that the bill be amended to have tips be treated the same way as they are pursuant to the federal wage and hour law. ([Attachment 9](#)) Mr. Hein finished his testimony by answering questions from the committee.

No others were present to appear for or against **HB 2130**, and Chairman Lane closed the hearing.

Chairman Lane adjourned the meeting at 10:35 a.m. The next meeting is scheduled for February 7, 2001, at 9:00 a.m. in Room 521-S.