

**TESTIMONY**  
**On SB 71 Before the Senate Commerce Committee**  
**February 12, 2007**

By Andy Sanchez, Executive Secretary-Treasurer Kansas AFL-CIO

Thank you Chairpersons, Brownlee and Jordan. Thank you as well Committee Members. I appreciate the opportunity to speak to you today, and provide our opposition to SB 71.

SB 71 would abolish the state minimum wage rate which is already a very low \$2.65 an hour. The Kansas AFL-CIO represents many workers. Although this statute will not affect our union members, we are still a voice for all working families, and that includes a sector of our population now being identified by many economists as the working poor.

The Kansas Department of Labor (KDOL) has estimated that there are currently 19,000 people earning the state minimum wage rate. As you know, Congress may give their blessing to modify the federal minimum wage from \$5.15 to \$7.25, a \$2.10 increase making the disparity between our state minimum and the federal level \$4.60. Since Kansas first adopted a state minimum wage over 29 years ago, it has only seen an increase of \$1.05 in that period. Of the states with a minimum wage, no state compares to Kansas. In fact, all of the surrounding states are at least a \$5.15 wage.

I believe that the intent of SB 71 is to accomplish two things: First, it would remove the “floor” on the hourly wage rate, allowing employers to pay less. Second, it will give false reassurance that the market will protect workers.

The heart of this issue is whether or not jobs will be lost. The research conducted by the Economic Policy Institute (EPI) examined the 1990-91 and the 1996-97 federal minimum wage increases, and found no job loss correlation. Furthermore, in a March 2006 report, EPI found that state minimum wage rates that are higher than the federal rate have not had a negative effect on employment. In fact, such states have experienced faster smaller business and retail job growth, even in what would be considered recession trends. A 2004 report by the National Federation of Businesses (NFIB) found that small Business ranked minimum wages and living wages a low 57<sup>th</sup> out of a list of 75 problems facing small businesses.

We know this is an already vulnerable segment of the workforce and removing the state minimum wage exemplifies what my organizations national president (John Sweeney) describes as a “you’re on your own philosophy” making it public policy.

Why do we make the adjustment for the \$2.65 per hour workers? For the same reason Congress is adjusting for those under FLSA; to eliminate labor conditions detrimental to the maintenance of the minimum standards of living necessary for health, efficiency, and well-being of workers. Let’s take the high road in Kansas and relieve ourselves from the embarrassment of being the lowest minimum wage state. Let’s provide good jobs that pay better, protect against inflation and help improve the lives of low-income workers.

It is our hope that you take no action on SB 71. Instead, I would urge you to look at other proposed bills that will raise the state minimum wage. Thank you.

# State Minimum Wage Rates

## January 3, 2007

### 28 States and D.C. Have State Minimum Wage Rates Higher than the Federal Rate

<b>Alaska</b>	<b>\$7.15</b>
<b>Arizona</b>	<b>\$6.75</b> (rate indexed to inflation beginning 1/1/08, with adjustments every Jan. 1 <sup>st</sup> )
<b>Arkansas</b>	<b>\$6.25</b>
<b>California</b>	<b>\$7.50</b> (will rise to \$8.00 on 1/1/08)
<b>Colorado</b>	<b>\$6.85</b> (rate indexed to inflation beginning 1/1/08, with adjustments every Jan. 1 <sup>st</sup> )
<b>Connecticut</b>	<b>\$7.65</b>
<b>Delaware</b>	<b>\$6.65</b> (will rise to \$7.15 on 1/1/08)
<b>D.C.</b>	<b>\$7.00</b>
<b>Florida</b>	<b>\$6.67</b> (rate indexed to inflation, adjusted every January 1 <sup>st</sup> )
<b>Hawaii</b>	<b>\$7.25</b>
<b>Illinois</b>	<b>\$6.50</b> (will rise to \$7.50 on 7/1/07; to \$7.75 on 7/1/08; to \$8.00 on 7/1/09; and to \$8.25 on 7/1/10)
<b>Maine</b>	<b>\$6.75</b> (will rise to \$7.00 on 10/1/07)
<b>Maryland</b>	<b>\$6.15</b>
<b>Massachusetts</b>	<b>\$7.50</b> (will rise to \$8.00 on 1/1/08)
<b>Michigan</b>	<b>\$7.15</b> (will rise to \$7.40 on 7/1/08)
<b>Minnesota</b>	<b>\$6.15</b>
<b>Missouri</b>	<b>\$6.50</b> (rate indexed to inflation beginning 1/1/08, with adjustments every Jan. 1 <sup>st</sup> )
<b>Montana</b>	<b>\$6.15</b> (rate indexed to inflation beginning 1/1/08, with adjustments every Jan. 1 <sup>st</sup> )
<b>Nevada</b>	<b>\$5.15 with health benefits, \$6.15 without health benefits</b> (rates indexed to inflation beginning 7/1/07, with adjustments every July 1 <sup>st</sup> )
<b>New Jersey</b>	<b>\$7.15</b>
<b>New York</b>	<b>\$7.15</b>
<b>North Carolina</b>	<b>\$6.15</b>
<b>Ohio</b>	<b>\$6.85</b> (rate indexed to inflation beginning 1/1/08, with adjustments every Jan. 1 <sup>st</sup> )
<b>Oregon</b>	<b>\$7.80</b> (rate indexed to inflation, adjusted every Jan. 1 <sup>st</sup> )
<b>Pennsylvania</b>	<b>\$6.25</b> (will rise to \$7.15 on 7/1/07 – slower phase in for certain small businesses)
<b>Rhode Island</b>	<b>\$7.40</b>
<b>Vermont</b>	<b>\$7.53</b> (rate indexed to inflation, adjusted every Jan. 1 <sup>st</sup> )
<b>Washington</b>	<b>\$7.93</b> (rate indexed to inflation, adjusted every Jan. 1 <sup>st</sup> )
<b>Wisconsin</b>	<b>\$6.50</b>

### 16 States Have State Minimum Wage Rates of \$5.15

These states are: Georgia, Idaho, Indiana, Iowa, Kentucky, Nebraska, New Hampshire, New Mexico, North Dakota, Oklahoma, South Dakota, Texas, Utah, Virginia, West Virginia (min wage rate for FLSA covered workers is \$5.15 – min wage rate for non-FLSA covered workers is \$5.85, rising to \$6.55 on 7/1/07, and to \$7.25 on 7/1/08), and Wyoming.

### 1 State With A State Minimum Wage Rate Less than the Federal Rate

Kansas \$2.65

### 5 States With No State Minimum Wage Rate

These states are: Alabama, Louisiana, Mississippi, South Carolina and Tennessee.

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