

Senate Labor Committee Meeting

**Official Minutes
151st General Assembly
First Session**

**Committee Meeting
Wednesday, March 17, 2021
1:00 p.m.
Virtual Zoom Meeting**

Meeting Attendance

Committee Members Present:

Senator John Walsh	John.Walsh@delaware.gov
Senator Nicole Poore	Nicole Poore@delaware.gov
Senator Colin Bonini	Colin.Bonini@delaware.gov
Senator Bruce Ennis	Bruce.Ennis@delaware.gov
Senator Spiros Mantzavinos	Spiros.Mantzavinos@delaware.gov
Senator Bryant Richardson	Bryant.Richardson@delaware.gov

Absent:

None

Staff:

Venessa Karpeh	Venessa.Karpeh@delaware.gov
Abigail Armstrong	Abigail.Armstrong@delaware.gov

Attendees:

Senator Brain Pettyjohn
Senator Bruce Ennis
Senator Bryan Richardson
Senator Colin Bonini
Senator David Sokola
Senator Dylan McDowell
Senator Elizabeth Lockman
Senator Marie Pinkney
Senator Nicole Poore
Senator Spiros Mantzavinos
Representative Brandon Williams
Representative Bryan Shupe
Allanna Mozeik
Alex Rich

Organization:

Senate Minority Caucus
Senate Majority Caucus
Senate Minority Caucus
Senate Majority Caucus
Senate Majority Caucus
Senate Majority Caucus
Senate Majority Caucus
Senate Majority Caucus
Senate Majority Caucus
Senate Majority Caucus
Senate Majority Caucus
House Majority Caucus
House Minority Caucus
DPH
National Association of Theatre Owners

Alexa Adams
 Alexa Ligouri
 Alexander Kotanides
 Alissa Barron-Menza
 Alyssa Bradley
 Andi Perez
 Andrea Brown-Clarke
 Anne Smith
 Bailey Brooks
 Ben Gillotti
 Betsy Price
 Biola Jeje
 Bonnie Metz
 Caitlin Del Collo
 Calvin Sparks
 Carolyn Petrak
 Carrie Cole
 Carrie Leishman
 Charito Calvachi-Mateyko
 Charles Copeland
 Charlotte Phillips
 Christy Gleason
 Cindy Ennis
 Coby Owens
 Collen Morrone
 Courtney Sunborn
 CR
 Daisy Cruz
 David Cooper
 David Lamare Williams Jr
 David Walsh
 DJ McAneny
 Dustyn Thompson
 Dyron Green
 Elizabeth Drobit-Blair
 Ellen Valentino
 Eric Hastings
 Erika Gutierrez
 Evan Park
 Fleur Mckendell
 Francis Murphy
 Frank Horton
 Garrett Jenkins
 Grace Otley

Senator Nicole Poore
 DRA
 Pat's Pizza of Lewes
 Business for a Fair Minimum Wage
 Delaware Poor People's Campaign
 SEIU 32BJ
 MWUL
 NAACP
 RWA
 Ruggerio, Willson and Associates, LLC

 Working Families Party
 Verizon
 Senate Majority Staff
 Delaware United
 Ability Network of Delaware
 ByrdGomes
 Delaware Restaurant Associates
 DE Poor People's Campaign

 Central DE NAACP

 NAACP
 Goodwill of Delaware & Delaware County, Inc.
 Ecologic Cleaning

 SEIU 32BJ
 Economic Policy Institute
 NAACP
 DIW Group
 WDEL
 United Way
 DOL
 Quality Management Associates- Delaware Inc.
 MAPDA
 Representative Peter Schwartzkopf
 Delaware Working Families Party/Delaware United
 University of Delaware
 NAACP
 Delaware Senate
 Back Creek Golf Club
 Starkey & Company PA
 OWAA

Hank Rosenberg
 Holy Sklar
 Ikeisha Stuckey
 Jaci Hugg
 James Dechene
 James Hayman
 Jane Pierantozzi
 Jason Dean
 Jason Smith
 Javier Hortsmann
 Jean Brummett
 Jean Walsh
 Jeanne Chiquoine
 Jennifer Jankowski
 Jeremy Tunis
 Jesse Chadderdon
 Jessica Smith
 Jillian Irvin
 Joanne Cabry
 John Richard Jannelli
 Jon Offredo
 Jonathan Kirch
 Jonathon Patterson
 Jordyn Pusey
 Joseph Fitzgeralds
 Joseph Fulgham
 Judy Diogo
 Julie Fedele
 Julie Price
 Julie Wenger
 Karen stauffer
 Karl Stomberg
 Karryl Hubbard
 Kat Caudle
 Katherine Artigliere
 Katherine Caudle
 Ken Sklenar
 Kevin Fuller
 Kiki Evinger
 Kim Gomes
 Kim Lowman
 Kristin Seale
 Krystle
 Larry Tarabicos

Harrington Raceway and Casino
 Business for a Fair Minimum Wage

Senator Bruce Ennis
 Armitage DeChene @ Associates
 Hayman Creative
 Faithful friends Animal Society

Controller General's Office
 Office of Governor John Carney
 ABM

Delaware House Staff
 Amazon
 Delaware Senate Staff
 Ted's Montana Grill
 Amazon
 Progressive Democrats of Sussex County
 Delaware United
 Office of Defense Services
 Delaware Working Families Party
 Delaware House
 Progressive Democrats for DE
 Fitzgerald Consulting, Inc.
 EE House of Representatives
 Central DE Chamber of Commerce
 CGO
 League of Women Voters
 DE Food Industry council
 Delaware Restaurant Association
 Delaware Working Families Party
 DOL

CGO Office
 AFSCME
 Easterseals Delaware & Maryland's Eastern Shore
 SEIU 32BJ
 Department of Health and Social Services
 Byrdgomes
 OWAA
 SEIU 32BJ
 SEIU 32BJ
 Tarabicos Grosso, LLP

Laura McDowell	Bethany-fenwick Area Chamber of Commerce
Lauren Weaver	
Lawrence Hampton	
Leslie Jones	
Lincoln Willis	TWG
Linda Barnett	League of Women Voters of Delaware
Liz Richards	
Mackenzie Permint	SEIU 32BJ
Mamie Charest	People's Place
Marc Clymer	
Margot Dorfman	U.S. Women's Chamber of Commerce
Maria Fraser	The Café on 26
Mariann Kenville-Moore	DCADV
Mary Davis	Mary Davis Government Relations
Mary Grace Colonna	Senator Kyle Gay
Matt Bittle	Delaware State News
Matt Lenzini	CRI
Matt Revel	United States of America
Maureen Yamamoto	KenCrest
Max Grozovsky	
Meghan Walls	Nemours
Melanie Ross Levin	Office of Women's Advancement & Advocacy
Melissa Hopkins	Delaware Alliance for Nonprofit Advancement
Melissa Steele	Cape Gazette
Mike O'Halloran	NFIB- Delaware
Monica Beard	Delaware Alliance Against Sexual Violence
N Brady	DDA
Nicholas Schrieber	
Patricia Key	Harrington Raceway, Inc.
Patrick Allen	Allen & Assoc.
Patrick Keefe	Frog Hollow Golf Club & Restaurant
Paul Thornburg	General teamsters Local 326
Pier Bronson	DOL
Quinn Johnson	
Rachel Turney	DOL
Rebecca Byrd	ByrdGomes
Rebecca Calvello	Senator Colin Bonini
Rebecca Kidner	Rebecca Batson Kidner, P.A.
Richard Wilkins	Delaware Farm Bureau
Rick Armitage	Armitage DeChene & Associates
Robert Overmiller	RDO Refrigeration
Robert Scoglietti	Controller General's Office
Robert Wasserbach	Faithful Friends Animal Society
Roger Roy	Roy Associates

Roman Battaglia
 Ronald Handy Sr.
 Ruth Jones
 Sara Poore
 Sarah Fulto
 Sarah Gamard
 Sarah Stowens
 Scott Goss
 Scott Kidner
 Sherese Brewington-Carr
 Sherm Porter
 Sherry Long
 Stacy Distefano
 Stephanie Becker
 Susan Clifford
 Susan Gallagher
 Taylor Goebel
 Taylor Hawk
 Tom Collins
 Tracey Paliath
 Tracey Thuo
 Traci Murphy
 Tyler Micik
 Valerie McCartan
 Vanessa Clifford
 Verity Watson
 Verna Hensley
 Victor Santos
 Victoria Brennan
 Vivian Attanasio
 William Lathon
 William Sullivan
 Xavier Teixido
 Yannet Lathrop
 Zoe Callaway

Delaware Public Media
 NAACP
 Office of the Controller General
 Senator

Delaware Online/The News Journal
 Rodel

CDCC
 Delaware Commission for Women
 Sherm's Catering
 Restore Delaware
 Chimes International
 House
 DSA, WFP

Delaware Business Times
 Delaware Senate Staff
 Delaware Bankers Association
 Chimes
 SEIU 32BJ
 Delaware Coalition Against Gun Violence
 Delaware State Chamber of Commerce
 Senatore David Sokola
 Working Families Party
 RWA
 Easterseals Delaware & Maryland Eastern Shores

CGO
 Chimes

Delaware Hotel and Lodging
 Harry's Hospitality Group
 National Employment Law Project
 ABD

Agenda:

SB 15

Senator Walsh convened the meeting at 1:04 p.m.

Senator Bonini motioned to accept the previous meeting minutes and **Senator Richardson** seconded that motion.

The Committee approved the minutes from the previous meeting (01/27/2021).

I. SB 15 – Sen. Walsh – AN ACT TO AMEND TITLE 19 OF THE DELAWARE CODE RELATING TO MINIMUM WAGE

SYNOPSIS: This bill provides for gradual increases in the Delaware minimum wage to \$15 over a period of several years.

Senator Walsh, the Prime Sponsor of the legislation, provided a synopsis. The economic health of the United States is under a core proposition, if you put in a hard day's work you will earn a fair day's wage. That was the premise behind the creation of the minimum wage in 1938 to lift America out of the Great Depression. The premise of this legislation is to lift Delawareans out of poverty as we emerge from the pandemic. For more than a year we have called grocery store clerks and those who care for loved ones in long term care facilities "heroes" because they put their health at risk. These individuals did not only do it to help others, but because they could not afford a single day off of work at Delaware's current minimum wage of \$9.25 per hour. Our retail clerks, cooks, janitors, and cleaners had hours cut during the pandemic. Many have rent and bills due and are only surviving through food banks, nonprofits, and state funded safety nets. Even without the pandemic, Delaware's minimum wage has not continued with the rising cost of rent, child care, groceries, and prescriptions. When older individuals remember the \$5 per hour minimum wage, they fail to compute that that is the equivalent of \$20 per hour today. The minimum wage has lagged behind the cost of living for more than a generation and too many Delawareans are being left behind. That ends today because Delaware is holding up its end of the bargain. Today, Delaware is fighting for the nearly 35,000 Delawareans who are dangerously at risk for falling below the poverty line despite holding one or more jobs. SB 15 will lift those individuals out of poverty, ease the financial burden on tax payers by reducing the reliance on safety net programs, and will keep our businesses competitive with surrounding states. Maryland, New Jersey, and New York have a higher minimum wage than Delaware. Virginia's minimum wage will be higher than Delaware on May 1 and Pennsylvania is considering legislation to raise the minimum wage to \$12 per hour. Four of these states are on track to reach \$15 by 2025. We are falling behind at the exact moment our most vulnerable neighbors are struggling the most. Every time we debate the minimum wage, we hear from businesses who claim the sky is falling. Every time they claim this will cause mass layoffs, but almost every instance where the minimum wage was raised the unemployment rate decreased or remained flat, labor force participation rate increased or remained flat, and Delaware's GDP grew or remained flat. The reason is simple, providing higher wage means more bills getting paid and individuals spending, which results in a better economy for everyone. I am not deaf to the concerns from the business community, I have met with countless business owners and trade groups over the last year and have drafted legislation that addresses their greatest concerns. This legislation increases the minimum wage to \$15 gradually for the next five years and the

first increase does not take effect until January 1, 2022. The legislation is not a question of pro-business or anti-business, rather it is a simple question on whether you believe we should lift people out of poverty or not. Senator Walsh requested questions or statements from the Committee members and recognized Senator Bonini.

Senator Bonini stated he disagrees with the legislation. This does the exact opposite and will have to disagree to disagree. Senator Bonini is appreciative the minimum wage would be implemented gradually. This will reduce opportunity and it is especially difficult during the pandemic. There was a summary during the DFAC meeting that showed the current economy is hardest on the lower income individuals. Part of the reason is they are not working, specifically the restaurant industry. If we increase the minimum wage to this level, we will see dramatically fewer jobs returning. There will be less opportunity to get into the workforce. The significant portion of the minimum wage earners of young individuals who are just entering the workforce, rather than those individuals receiving a higher wage. Those jobs will not be offered to the young individuals because they do not have the skills or experience. The employers have to make tough decisions on limited resources. Delaware's economic history is not a good one. Delaware is one of the worst economy for recovering from economic crisis. Sending messages to companies that the minimum wage will increase will make it less attractive for companies to build and grow business in Delaware. If you go to a grocery store, more and more is electronic and less labor intensive. This will increase regardless of the minimum wage increase, but definitely will accelerate because of it. Respectfully, doing this hurts rather than helps. By doing this we are potentially stopping the growth of individuals from poverty into gaining successful careers. The counterargument is that minimum wage does not affect job loss, but that is not a fair argument. The opportunity cost of the jobs not created or businesses that did not expand are not factored. We will hear similar stories from business owners today. Senator Bonini requested delaying the legislation until after the pandemic and is concerned about the consequences of the legislation.

Senator Walsh thanked Senator Bonini for the comments and provided additional information. The belief that minimum wage is for first time workers is not true studies have shown 63% of minimum wage earners in the US are older than 25, 60% of low wage workers are women, 51% are people of color, 50% are people working full time. This issue disproportionately effects people of color, particularly single mothers. Nearly 40% of all workers of color in Delaware are earning minimum wage, including nearly half of all Hispanic workers. Senator Walsh recognized Senator Poore.

Senator Poore stated there is no opportune time when discussing minimum wage and an individual's paycheck. What Delaware needs to do better is skill people and make sure they can make a livable wage, not just an hourly rate. But we are not discussing that, we are discussing how to secure someone at a level they can afford to pay rent, mortgages, car payments. It is good we are having this conversation and it is expected people will provide varying opinions. Notably, this is not about the bigger businesses

versus the smaller businesses nor wanting anyone to go out of business. The pandemic has been trying for big and small businesses. One benefit is the CARES Act has provided funding to many businesses. This allows Delaware to reset and opens the conversation about what can be done for Delaware's workforce. In September, the New York Times stated the pandemic will set women back at least 10 years in the workforce. It is difficult to imagine being set back 10 years and not being paid a reasonable wage. Senator Poore appreciated Senator Walsh for bringing this legislation forward and predicted some nonprofits and small businesses will struggle to make ends meet. The conversation must be continued. Senator Poore appreciates how the legislation is framed to be gradual increase and allowed Delaware to get out of the pandemic. She complemented the larger businesses, Christiana Cares, Nemours, and Amazon, who have been able to meet the \$15 per hour threshold and moved forward. Senator Poore was eager to hear from the nonprofits and small businesses to continue this conversation.

Senator Walsh recognized Senator Richardson.

Senator Richardson agreed with everything that was said. It is a good time to have this conversation. Senator Richardson is pleased there are some businesses who can afford to set their wages at \$15 per hour, but not all business can. It is sensitive to what businesses and labor force we have. Senator Richardson's business would not be effected by the minimum wage change, but they pay people for particular skills. We need to work on improving the skill level of the workforce. The Earned Income Tax Credit is an efficient way to address the income needs of poor families. The players should discuss the different balances between the economy/free market versus government dictating what they do. There are better ways for improving employment opportunities, but part of that is improving the skill level of the workforce.

Senator Walsh recognized Allissa Barron-Menza.

Allissa Barron-Menza, Vice President of Business for Fair Minimum Wage, thanked the Committee. The Business for Fair Minimum Wage supports raising the minimum wage to \$15 by 2025 because it makes good business sense. Raising the minimum wage is a vital tool for widely sharing economic recovery. The minimum wage was first enacted during the Great Depression to put a floor under wages and boost the economy by increasing consumer purchasing power. We need that boost again. It is bad for business when working people cannot afford the basics. Workers are also costumers and raising the minimum wage puts money in the pockets of people who most need to spend it. Fair pay is good for business in other ways by decreasing employee turnover, reduced hiring/training costs, fewer accident rates, increased productivity, and better customer service. Keeping minimum wage low does not help small businesses. This short sighted approach makes it harder for small businesses to compete with big businesses. Target, Best Buy, and Amazon already pay entry wages of \$15 and Costco pays \$16. Many small businesses already pay \$15 per hour because it makes them competitive. For small businesses to thrive amid big chains and companies with fast delivery they must give

customers to choose that business. Small businesses need great employees who stay long enough to provide quality customer service. Additionally, Allisson Barron-Menza provided written testimony attached at the end of this document.

Senator Walsh recognized Tyler Micik.

Tyler Micik, Manager of Public Policy at the Delaware State Chamber of Commerce, believes efforts should focus on workforce development and training. Increasing the minimum wage is well intended but will harm the people it is meant to help. Delaware businesses are struggling to survive and recover due to the pandemic. An increase in the minimum wage will only cause more damage. This legislation is a choice between more people going back to work and fewer. Currently, 40% of the unemployed have been unemployed for seven and a half months or longer and this will only be exacerbated with an increased minimum wage. This legislation is one of many this session that would increase cost on business owners. This includes PIT increases on higher earners, paid family leave, state IRA program, and DNREC's pursuit on smaller emitters like dry cleaners. Instead we should be supporting programs like Forward Delaware, which has been funded by \$20 million of CARES Act money. Employers desire a skilled workforce. If we want to help people let's help them transition into paid skill jobs that are five days 40-hours a week where they receive tangible skills employers need.

Senator Walsh recognized Margot Dorfman.

Margot Dorfman, CEO of US Women's Chamber of Commerce, stated the small business owners she speaks with believe raising the minimum wage will help businesses. The Pandemic has hurt workers and businesses, but it is vitally important to understand that raising the minimum wage is part of the solution. A low minimum wage exacerbates the problem. Raising the minimum wage will boost customer spending and job creation in local businesses and strengthen the economy. The typical low wage worker is an adult woman. Raising the minimum wage is good for both workers and businesses. Those who invest in decent wages enjoy the benefits of a dedicated staff with lower turnover, higher productivity, and better customer service. Livable wages allow people to focus on their jobs rather than continually worrying about how they will pay for things. Businesses that pay poverty wages turn through employees. They may save on immediate pay roll but increases costs in higher turnover, constant recruitment and training cost, and a less experienced and productive workforce. This legislation allows low wage businesses time to plan and adjust to predictable increases. Increasing minimum wage creates a level playing field for those businesses that invest in their community. This will benefit businesses across Delaware by increasing consumer spending. Margot Dorfman provided written testimony as a pdf attached at the end of this document.

Senator Walsh recognized Mike O'Halloran.

Mike O'Halloran, NFIB-Delaware, is respectfully in opposition for SB 15 because of the negative impacts it will have on small business community and employees. Many Delawareans have experienced financial hardships because of the pandemic. Just as constituents struggle to pay bills, so do small business owners. SB 15 although well intentioned has a negative effect on Delaware small businesses because they do not have the resources to absorb these cost increases. Keep in mind this past year small businesses have struggled and may still have capacity restrictions. Although the legislation will not take effect till 2022, Delaware small businesses will take years to recover from the pandemic. While small businesses were unable to open, mortgages, rent, and utility bills still needed to be paid. Delaware businesses are faced with increases in Delaware unemployment insurance tax premiums even with the experience waiver passed by the General Assembly.

Senator Walsh recognized Courtney Sunborn.

Courtney Sunborn, Ecolistic Cleaning, is a small business owner that strongly support raising Delaware's minimum wage. From experience, paying livable wages is good for business. Currently, no employee of Ecolistic Cleaning makes less than \$14.50 per hour and will receive \$15 later this year. Paying livable wages keeps staff turnover very low and saves money to retain trained employees. Lower turnover increases morale and productivity and thus happier clients. Raising the minimum wage will lift people out of the impossible situation of working a full time job and not making ends meet. This will increase consumer spending that businesses rely on to survive and grow. Since this is a gradual increase, low wage businesses will have time to adjust and make the steady changes that improves the lives of their employees.

Senator Walsh recognized Julie Wenger.

Julie Wenger, DE Food Industry Council, respectfully apposes SB 15. The grocery industry in Delaware provides over 15,000 jobs and some are entry level positions. If the wage increases to \$15 per hour by 2025 there will be fewer jobs available. There will be fewer positions for those reentering the workforce and students attempting to get their first job. Our industry has served as a training ground for students. We are often individuals' first job and take considerable time in training them. We do not expect students to stay and become career employees and we provide them skills to advance to higher paying jobs. Those who stay with us are paid considerably more than minimum wage. Please consider the impact increasing the minimum wage would have on industries such as ours that trains entry level positions. Expenses cannot be ignored and one of the adjustments will be eliminating entry level positions for our youth. Research shows teens receive valuable skills in their first job that benefits them later in life. Studies found that 20 hours a week of part time work in high school leads to higher wage six to nine years after graduation. The retail industry is one of the main areas for employment for those reentering the workforce. Increasing the minimum wage this drastically and quickly will force us to not employ those looking for a second chance.

This will force us to invest in automation and fewer shifts as the cost will be too much to bare. Minimum wage is one of the most studied topics in economics and have come to varying conclusions. Much of the research concluded that raising the minimum wage will reduce youth employment.

Senator Walsh recognized David Cooper.

David Cooper, Senior Analyst at the Economic Policy Institute, supports SB 15. A \$15 per hour minimum wage in 2025 is appropriate. EPI uses the family budget calculator which compiles the typical cost for basic necessities for a modest standard of living throughout the country. By 2025 there is no county in the US where someone could live on wages less than \$15 per hour. It is also appropriate historically, at its inflation adjusted peak in 1968 the federal minimum wage which prevailed in Delaware was worth the equivalent of \$10.66 in today's dollars. That is 15% higher than the current minimum wage, this is despite workers at that time had less education and younger than today's low wage workers. Skills are not being rewarded today. EPI's analysis of SB 15 suggests it would lift pay for 122,000 Delaware workers or roughly 27% of the States workforce. The vast majority effected would be prime working adults only 14% are teenagers, majority would be women, 30% of black workers would receive a raise, and almost half of Hispanic workers would receive a raise. When minimum wage is increased there are concerns for potential job impacts. The resounding conclusion of enormous body of research over the past 30 years shows increasing minimum wage does not decrease jobs. A recent comprehensive research on published minimum wage research concluded a muted effect on employment. With the pandemic ending this is an ideal time to raise the minimum wage. Economists recognize that low income groups are more likely to spend earnings immediately on affordable basic necessities. A 2016 study researchers at the Federal Reserve Bank of Boston found that increased minimum wage was related with higher consumer spending particularly on dinning out, automobiles, and with stronger effect in areas with high concentration of low wage workers. David Cooper provided written testimony as a pdf attached at the end of this document.

Senator Walsh recognized Sherm Porter.

Sherm Porter, Sherm's Catering, is a small business owner and opposed to SB 15. People have mentioned those who receive wages under \$15, but you must consider those who receive over \$15. In my business the wage ranges from \$12-22 per hour, so if the wages must increase that everyone must increase up the scale. All costs must be considered to raise the minimum wage. This is a 2/3 vote by the State because it costs money. The first raise would cost over \$200,000 for the State in the first strike and almost \$2 million in the fourth year.

Senator Walsh recognized Yannet Lathrop.

Yannet Lathrop, Senior Policy Analyst for the National Employment Law Project, supports the legislation. If Delaware passes this measure it will be one of nine states that are on a path to \$15 per hour minimum wage, including neighboring Maryland and New Jersey. Higher wages would not only help Delaware workers, but provide a modest boost to the State's economy. Research from the Federal Reserve Bank of Boston showed a higher wage correlates with higher spending on groceries and dining. Higher minimum wage has the potential to help the struggling restaurant industry recover from the pandemic. Raising the minimum wage has more support than prior to the pandemic. It is proven increased minimum wage increases worker earnings without negatively effecting employment. Research that shows adverse effects of increasing minimum wage are outliers and employ flawed methodologies.

Senator Walsh recognized Patrick Keefe.

Patrick Keefe, Frog Hollow Golf Club & Restaurant, stated the legislation is ill timed. While Patrick Keefe does not pay minimum wage to most of his staff the increase would force all wages to increase and create pass through cost for my customers. The restaurant industry is still at 50% and struggling to make ends meet. The legislation should be set aside for a year till we can see what the economy looks like.

Senator Walsh recognized Larry Tarabicos.

Larry Tarabicos, Tarabicos Grosso, LLP, is a small business owner and supports the legislation. All employees who contribute to the success of the company profit from the success of the company. Larry Tarabicos's family restaurant hired entry level individuals and supported the middle class. Support for the legislation is rooted in simple, basic decency and fairness. No American should be working 40 hours per week and receiving less than \$30,000 a year. We should be embarrassed we are not at \$15 per hour currently. We will never have a robust middle class until we rebuild it.

Senator Walsh recognized Scott Kidner.

Scott Kidner, CDCC, is in opposition of the legislation. Scott Kidner added the General Assembly will also address increasing the tip wage, looking at removing the youth/training wage, as well as some other major impacts to the business community. We are in a state of emergency and it would be incumbent upon the body to move past this emergency before implementing SB 15. There should be an amendment that states one year after the state of emergency is lifted this legislation would take effect.

Senator Walsh recognized Linda Barnett.

Linda Barnett, League of Women's Voters of Delaware, supports this initiative. Every wage earner should be able to address their basic needs. One basic need we will focus on is shelter. A report from Housing Alliance Delaware found that to adequately afford a

two bedroom in Delaware the hourly wage needs to be \$21.97. We are far below that and many individuals are unable to afford decent housing. We promote policies and programs that promote self sufficiency for families. Earning a decent wage is basic to the achievement of self-sufficiency. Linda Barnett provided written testimony that is attached at the end of this document.

Senator Walsh recognized Andreas Brown-Clark.

Andrea Brown-Clark, Chair for Building People Power for MWUL, supports this legislation. Delaware women and women of color tend to be the bread winners of their household. Those women who provide majority of the income for their family are 82% black and 56% Latin. If we make an investment in our human capital, we will not have to worry about losing employees to larger chains or to other neighboring states. Those essential workers providing food and essential work to our homes are not guaranteed the same assurances. It requires \$22-25 per hour to sustain a household in Delaware. We must reinvest in our people otherwise they will not live here. This legislation should be expedited into 2021.

Senator Walsh recognized Frank Horton.

Frank Horton, Owner of Back Creek Golf Club, is a successful business person who employs over 100 employees. Those employees who are 50% minority or women, are all paid over minimum wage. Majority, about 70%, of the employees are first time job holders and unskilled labor. Unfortunately, this proposal would force us to cut the vast majority of the workforce. Frank Horton does not support the legislation because this will decrease the workforce, increase workload, and decrease productivity.

Senator Walsh recognized Robert Overmiller.

Robert Overmiller, RDO Refrigeration, stated 65% residents are retired and living on a fixed income. The last wage increase in Delaware also increased cost of living. There will be no increase in pay for those living on a fixed income. Robert Overmiller opposes the legislation because it will have a negative impact on majority of Delaware residents.

Senator Walsh recognized Sherry Long.

Sherry Long, Restore Delaware, stated not only will this legislation impact seniors, but those that are on a pension. We have decided to wait till after the pandemic and COVID money is distributed to determine whether we can sustain those on a pension what is promised to them for the last several years. Not only has our Joint Finance Committee decided to not create a budget during uncertain times that would have to be sustained over years. Senators Carper and Coons both voted that this is not something to nationally sustain for a long period of time. The comptroller's office stated the overall

cost of increasing the wage would cost the State \$40 million. Common sense says this is poor timing.

Senator Walsh recognized Daisy Cruz.

Daisy Cruz, Mid Atlantic Director of SEIU 32BJ, supports this legislation. Workers across America need a raise and it is long over due. The MIT living wage calculation for Delaware estimates that two full time workers in a two child household need hourly wages over \$22. The increase to \$15 does not mean luxury, rather a stride towards a sustainable income. This legislation will help to lift individuals out of poverty and would directly impact 92,000 individuals. Poverty level wages costs our community through poor investment in schools, health, and infrastructure.

Senator Walsh recognized Joseph Fitzgerald.

Joseph Fitzgerald, Fitzgerald Consulting Inc. on behalf of NCC Chamber of Commerce, urges members of community to consider timing. A lot of businesses are not open, specifically in hospitality and retail industries. This increase would disproportionately effect those sectors of the economy. This will create inflation across the wage scale. We respectfully question the timing of the legislation and oppose the legislation.

Senator Walsh recognized Carolyn Petrak.

Carolyn Petrak, Associate Executive Director of the Ability Network of Delaware, believe in the need for a minimum wage increase. The Association believes every worker deserves a livable wage and this will allow Delawareans to succeed. Those individuals who make up the disability workforce are skilled, highly trained, essential health care workers, not minimum wage workers. The organization's that employ these workers are contracted by the State and rely on reimbursement rates set by the State to compensate staff. While these individuals are providing essential health care the State only supports them with a rate of \$9.62 per hour. While salaries and minimum wage has increased in surrounding states, disability workers have experienced increasingly high turnover rates and are finding it difficult to recruit and retain staff. Direct support workers are leaving this field and not returning. When Delaware passes SB 15 it is essential that contracts for disability workers reflect rates that represent the worker's values. Carolyn Petrak provided written testimony attached at the end of this document.

Senator Walsh recognized Maria Fraser.

Maria Fraser, Owner of The Cafe on 26, opposes SB 15. All of Maria Fraser's employees receive wages above the minimum wage and tip wage. Lifting people out of poverty is important, but this legislation is not during an opportune time. The restaurant industry is in a huge recovery period. It will take years to recover from the pandemic and the

nine months to January 2022 will not be enough time. Adding a wage increase while paying for increased utilities and bills would force Maria Fraser to go out of business or hire less employees. With the help of bank and state loans, the Café on 26 was still down 60%. The restaurant relief loan is appreciated, but that will deplete immediately to keep the business open.

Senator Walsh recognized Melanie Ross Levin.

Melanie Ross Levin, Director of the Office of Women's Advancement & Advocacy, supports the legislation. Raising minimum wage would have positive impacts for Delaware women and families. A \$15 minimum wage would begin to reverse decades of pay inequality between the lowest paid workers and the lower class. It is important to note the typical worker who would benefit is a 35 year old women with some college level course work who works full time. We are not talking about teens, rather grown women with skills. Particularly, increasing the minimum wage will be significant for people of color.

Senator Walsh recognized Carrie Leishman.

Carrie Leishman, Delaware Restaurant Association, opposes the legislation. Everyone's comments matter little as this legislation is scheduled for the Senate tomorrow. We are one of the only states to be addressing this during a pandemic. Let alone Senators Carper and Coons have worked against this in Congress. Now is not the time. Restaurants are existing on subsidies, are working at half capacity, and are losing money every day. There are 10,000 restaurant workers unemployed and their voices matter. Let us restore the workforce before reforming wages.

Senator Walsh recognized Alexander Kotanides.

Alexander Kotanides, Pat's Pizza of Lewes, is against the legislation. What everyone is agreeing on is a livable wage and \$15 is not that. If we are really talking about a livable wage then it is \$25-30 per hour. The big set back is the federal guidelines for earned income is not adjusting. The federal guidelines for a single mother that makes over \$22,000 will lose WIC, housing, and health care costs. If we do not allow the earned income to double at the federal level, we will never get to the livable wage the way we are going about it. People can not recoup the same amount working an honest day's work with what the State can give you and that is where we get stuck.

Senator Walsh recognized Fleur Mckendell.

Fleur Mckendell, President of the Central NAACP branch, stated the concern for all individuals to receive a livable wage is a long standing civil rights issue. People of color and women have been locked out of the American dream to access a livable wage and

allow them to take care of their families. Increasing the minimum wage will have an impact of the long standing racial and gender pay gaps that have existed in Delaware.

Senator Walsh recognized William Sullivan.

William Sullivan, Delaware Hotel and Lodging Association, opposes the legislation. The industry has lost 60% of business and many hotels have not hired back staff. Increasing wages at this time in addition to extra costs occurring to safely sanitize properties is a challenge. Increasing wages will make it difficult to be competitive in this industry. Travel has not started and William Sullivan urges a delay of the legislation to when the economy and hotels are able to function. William Sullivan provided written testimony that is attached at the end of this document.

Senator Walsh recognized Verna Hensley.

Verna Hensley, Easterseals Delaware & Maryland's Eastern Shore, agrees with this legislation and that essential workers deserve a fair and livable wage. That is why we helped pass the McNesby Act that forces the State to pay the full cost of services we provide. Easterseals is essential to the care of thousands of Delawareans. If the minimum wage increases without an increase in reimbursement rate there could be a significant loss of services for people with disabilities. Verna Hensley provided written testimony that is attached at the end of this document.

Senator Walsh recognized Dustyn Thompson.

Dustyn Thompson, Delaware United, stated this legislation would not go into effect till we are hopefully done with the pandemic in 2022. Prices and cost of living are increasing, but wages are not. The government is subsidizing through support programs meaning the market is not standing on its own. No one should be working full time and still have to rely on government support programs. Dustyn Thompson provided written testimony attached at the end of this document.

Senator Walsh recognized Ellen Valentino.

Ellen Valentino, MAPDA, does not believe this is appropriate time for the legislation. It was suggested that further communication and dialog occur and/or stripping of the last two phases of the legislation.

Senator Walsh recognized Susan Clifford.

Susan Clifford, DSA, WFP, supports the legislation. Additionally, the loopholes that allow employers to pay tip workers so low should be addressed. Since 1968, the minimum wage has lost 30% of its purchasing power due to inflation. Since the pandemic it has

become a lot worse. Wages are not keeping up with the cost of living. If the minimum wage would have kept up it would be more than \$28 per hour.

Senator Walsh recognized John Richard Jannelli.

John Richard Jannelli, Delaware United, stated from personal experience \$15 per hour is not a sustainable wage. Nearly half of homeless Americans are employed and earn minimum wage. The claims that this will negatively impact business owners is untrue in that the legislation only requires the lowest wages to be increased by \$1.25 per hour by 2022. This is about restoring dignity to work.

Senator Walsh recognized Jonathan Kirch.

Jonathan Kirch, Delaware Working Families Party, supports the legislation. Those who correlate increased wages to worse labor markets misunderstand the economic research. This research began in 1984 that looked at increase in New Jersey's minimum wage. This proposal will not damage the labor market for the working poor. This is reasonable and have positive effects.

Senator Walsh recognized Judy Diogo.

Judy Diogo, Central DE Chamber of Commerce, stated not increasing wages will provide the opportunity of being seen as the most business friendly state. We have an opportunity to have a competitive edge, retain and attract business. Six businesses moved into Kent county this past year and most of them stated the wages as a reason for doing so. Minimum wage is an escalator wage which increases other costs.

Senator Walsh recognized Elizabeth Drobit-Blair.

Elizabeth Drobit-Blair, Quality Management Associates of Delaware, recognized Senator Walsh's recognition of direct support professionals and that they deserve fair compensation. Our organization supports the legislation. Our organization is unable to alter costs or wages, rather we are completely dependent on the rates provided by the State. As minimum wage increases so should State funding so State services can compete in the job market. Delaware must have a minimum wage bill to compete with the surrounding States. Elizabeth Drobit-Blair provided written testimony attached at the end of this document.

Senator Walsh recognized Erika Gutierrez.

Erika Gutierrez, Delaware Working Families Party/Delaware United, witnesses the hardship for individuals who receive low wages and are unable to cover expenses. It is time to innovate the distribution of wealth. As cost keeps rising and businesses

increasing families keep starving. The economy will be enhanced by the spending power.

Senator Walsh recognized Calvin Sparks.

Calvin Sparks, Delaware United, supports SB 15. Calvin Sparks is currently a minimum wage earner and struggles financially. Raising the minimum wage would help is a profound way. A lot of the jobs are minimum wage and attempting to finding better paying work.

Senator Walsh recognized Coby Owens.

Coby Owens, Delaware NAACP, supports the legislation. COVID-19 has highlighted issues in America that were present long before the pandemic. Many years of low wage and racial injustice has created hardship for hard working families. Many essential workers have given so much to the community but are still not adequately paid. We must do everything to give essential workers better pay. The evidence is clear that raising the minimum wage is a necessary first step in recovering from the pandemic and lifting up communities in the State. While some argue minimum wage jobs are for teenagers, that is not true. Majority of minimum wage workers are over the age of 20 and sole provider of their households. Women and people of color are disproportionately effected by the low wage. Increasing minimum wage is a powerful tool to provide economic justice to minorities and low income communities in Delaware.

Senator Walsh recognized Jason Dean.

Jason Dean is a small business owner that employs on average 5 individuals. The small business' will hire one skilled worker instead of hiring two workers at minimum wage. Those who are at lower wage positions will find themselves out of a job. Small businesses will get the most skill for the most dollar. Jason Dean opposes the legislation.

Senator Walsh recognized Jane Pierantozzi.

Jane Pierantozzi, Faithful Friends Animal Society, has 25 employees at minimum wage and 55 employees right above that. The cost for the company to increase minimum wage would be \$1.3 million through 2025. Jane Pierantozzi requested if the legislation passes that grant/aid or a government contract will help cover costs.

Senator Walsh recognized Richard Wilkins.

Richard Wilkins, Delaware Farm Bureau, neither supports nor opposes the legislation. The request to look at all economic analysis and make proper decision. We support the

continuation of a training/youth wage to help those businesses that have seasonal workers.

Senator Walsh recognized Charito Calvachi-Mateyko.

Charito Calvachi-Mateyko stated legislation cannot be made through fear. Business owners should not be relying on the backs of people they hire. That is not the way of America. We should not be afraid to pass this legislation.

Senator Walsh recognized Max Grozovsky.

Max Grozovsky is concerned the legislation keeps it legal for some businesses to pay disabled Delawareans 15 cents per hour. The US civil rights commission determined the subminimum wage for disabled people is discriminatory and ineffective at promoting their employment and recommended it be appealed. President Biden ran on a platform of repealing the subminimum wage and the congressional wage bill would have ended the practice nationally. Disabled Delawareans deserve equal protection under our laws. Please do not disregard disabled people from this legislation or at the very least repeal the subminimum wage this session. Max Grozovsky provided pdf attachments for the record that are at the end of this document.

Senator Walsh recognized Ronald Handy.

Ronald Handy, NAACP, stated those concerned about going out of business fail to realize those people making under \$15 per hour have to worry about homes and children. If children see parents struggling, they will not engage in education to gain skills needed for developing a skilled workforce. Ronald Handy supports the legislation and stated if we continue to hold black and brown people down, we will continue to struggle as a society.

Senator Walsh recognized Sherese Brewington-Carr.

Sherese Brewington-Carr, Vice Chair Delaware Commission for Women, favors SB 15. Women in Delaware are employed in those front end and direct services industry job that do not pay enough. Nor do these jobs provide time to upskill and obtain better paying jobs. The \$15 wage is not enough and will continue research into what the wage should be. We expect that women and women of color should receive equity financially.

Senator Walsh recognized Alyssa Bradley.

Alyssa Bradley, Coordinator for the Delaware Poor Peoples Campaign, agrees with the legislation. The gradual increase is understandable, but the minimum wage should have been at this level years ago. Small businesses are asking Delaware and the Federal

government to subsidize their poor and unsustainable business practices. It is not the job of the State to provide needs that employers should be providing.

Adam Kelly provided written testimony attached at the end of this document.

Carl Lathon provided written testimony attached at the end of this document.

Curt Fifer provided written testimony attached at the end of this document.

Charlie Copeland provided written testimony attached at the end of this document.

James Gill provided written testimony attached at the end of this document.

Kevin Fuller provided written testimony attached at the end of this document.

Matthew Lenzini provided written testimony attached at the end of this document.

Maureen Quinn Tamamoto provided written testimony attached at the end of this document.

Mellissa Hopkins provided written testimony attached at the end of this document.

Rebecca Calvello provided written testimony attached at the end of this document.

Senator Walsh offered final comments. A survey completed with local businesses by the Middletown Chamber of Commerce found that 63% would have no changes if the minimum wage increased to \$11 in 2022. The Fenwick Chamber of Commerce found that 59% of local businesses would not be impacted. The central Delaware Chamber had 74% of local businesses not being impacted. The State Chamber was at 84% not being impacted. This research also included Lewes with 45%, Middletown 64%, Greater Milford 65%, and Milton 50% of local businesses would not being impacted by the wage increase. During the election surveys were taken. The overall support for increasing minimum wage to \$15 was 71% (83% Democrats, 73% independents, and 50% Republicans). This legislation would not take effect in 2021 and would only increase to \$10.50 in 2022. The comments directed at Senator Carper and Coons were a situation where President Biden wanted the \$15 per hour to be immediate.

Senator Richardson questioned whether the earned income tax credit would go away if everyone is making \$15 per hour. Will some of the other government subsidized programs be eliminated? Some individuals making the \$15 per hour may not make out as well as far as housing and food. Seriously consider creating a subcommittee together to analyze this and determine what the impacts will actually be for people making lower wages in Delaware.

SB 15 – Reported out of the Committee – 3= Favorable 1= on its Merits 0= Unfavorable

Senator Richardson motioned to adjourn the meeting and **Senator Bonini** seconded that motion.

Senator Walsh adjourned the meeting at 3:11 p.m.

I. Alissa Barron Menza's Written Testimony

BUSINESS *for a* **FAIR MINIMUM WAGE**

Delaware Senate Labor Committee Hearing on Senate Bill 15 "An Act to Amend Title 19 of the Delaware Code Relating to Minimum Wage"

**Written Testimony of Alissa Barron-Menza, Vice President,
Business for a Fair Minimum Wage**

Position: SUPPORT

March 17, 2021

Thank you, Chairman Walsh, Vice Chair Poore, and members of the Senate Labor Committee for the opportunity to testify in support of raising Delaware's minimum wage.

My name is Alissa Barron-Menza and I am the Vice President of Business for a Fair Minimum Wage, a network of business owners, executives and business organizations. We support gradually raising Delaware's minimum wage to \$15 by 2025 because it makes good business sense.

The minimum wage was first enacted in 1938 to help workers and businesses recover from the Great Depression. It put a floor under wages and boosted the economy by increasing consumer purchasing power.

As our CEO and founder Holly Sklar notes, "Some people say we can't raise the minimum wage now because times are hard. Well, if we hadn't raised the minimum wage in hard times, we wouldn't have a minimum wage to begin with."

President Franklin Roosevelt called the minimum wage "an essential part of economic recovery." He said millions of workers "receive pay so low that they have little buying power. Aside from the undoubted fact that they thereby suffer great human hardship, they are unable to buy adequate food and shelter, to maintain health or to buy their share of manufactured goods."

Delaware's current minimum wage is not adequate for workers or businesses. Grocery workers, healthcare aides, cleaning staff, childcare workers and other Delawareans are working at the \$9.25 minimum wage or near it. It's bad for business and for communities when working people can't even afford the basics. We can't build a widely shared recovery on a minimum wage that's too low to live on.

It's important to remember that workers are also customers. Businesses typically have many more customers than employees. Raising the minimum wage puts money in the pockets of people who most need to spend it – increasing sales at businesses across the state.

businessforfairminimumwage.org

[@B4FWageBiz](https://twitter.com/B4FWageBiz)

II. Margot Dorfman's Written Testimony

USWCC Testimony SB 15 Support

III. David Cooper's Written Testimony

David Cooper Testimony for SB 15

IV. Linda Barnett's Written Testimony



LEAGUE OF WOMEN VOTERS OF DELAWARE
 2400 W 17th Street, Clash Wing, Room 1, Lower Level, Wilmington, DE 19806
 lwvde@comcast.net www.lwvdelaware.org

TESTIMONY FROM

THE LEAGUE OF WOMEN VOTERS OF DELAWARE

In Support of SB 15 / March 17, 2021

Increasing the minimum wage is consistent
 with the League position on meeting basic needs.
 We support programs and policies to prevent or reduce poverty
 and to promote self-sufficiency for individuals and families.
 Self-sufficiency cannot be achieved without adequate earnings.

Basic needs encompass such items as food, clothing, shelter and access to health care; and our support is based on a concern for all of these needs.

However, to focus specifically on the need for shelter, important information can be gleaned from a report of *Housing Alliance Delaware* entitled "**The State of Housing in the First State: 2019.**" It documents the relationship between the extreme need of many of our state's citizens for shelter and the need for an increased minimum wage.

For example: the state's renter wage, the hourly wage necessary to adequately afford a two-bedroom rental unit in Delaware, is \$21.97 per hour, as of the latest data available. The current minimum wage of \$9.25 makes decent housing unobtainable.

Reductions in poverty correlate historically with real increases in the minimum wage.

Declining upward mobility and growing economic inequality perpetuate harmful social conditions that undermine a civil society.

We urge speedy passage of SB 15.

V. Carolyn Petrak's Written Testimony



Senate Bill 15
Senate Labor Committee, March 17, 2021
Carolyn Petrak, Associate Executive Director
Ability Network of Delaware

Good afternoon, my name is Carolyn Petrak and I am the Associate Executive Director of the Ability Network of Delaware.

Our membership, comprised of community disability and behavioral health service providers believe in the need for a meaningful increase in the minimum wage and therefore lend our support for Senate Bill 15. The association feels every Delawarean, whether you work in any industry from human services, retail and hospitality to landscaping, deserves to earn a livable wage. Senate Bill 15 is an important step in setting up more Delawareans to succeed. It is an important investment in our workforce and our state.

The remarkable individuals that make up the disability workforce are skilled, highly trained, essential healthcare professionals, not minimum wage workers. The community service providers that employ them are contracted partners with the State of Delaware much the same as any construction company that repairs our roads or builds state facilities. They rely on reimbursement rates set by the state to compensate their staff. And while our members provide vital human services to Delaware's most vulnerable family, friends and neighbors, the state only supports direct care staff at a rate of \$9.62/hour. Just over the current minimum wage. Their work is critical to the lives and prosperity of those they care for. Their staff deserve to be compensated fairly for the specialized work that they do. They also deserve the chance to succeed and provide for their families while dedicating their careers to this vocation. That is why the Ability Network of Delaware has been advocating for a livable wage for a mostly female workforce for many, many years.

While other industries have been raising their starting salaries and the minimum wage has increased in surrounding states, disability service providers have been experiencing increasingly higher turnover and vacancy rates and are finding it near impossible to recruit and retain qualified staff. Direct support professionals are leaving this workforce and they are not coming back.

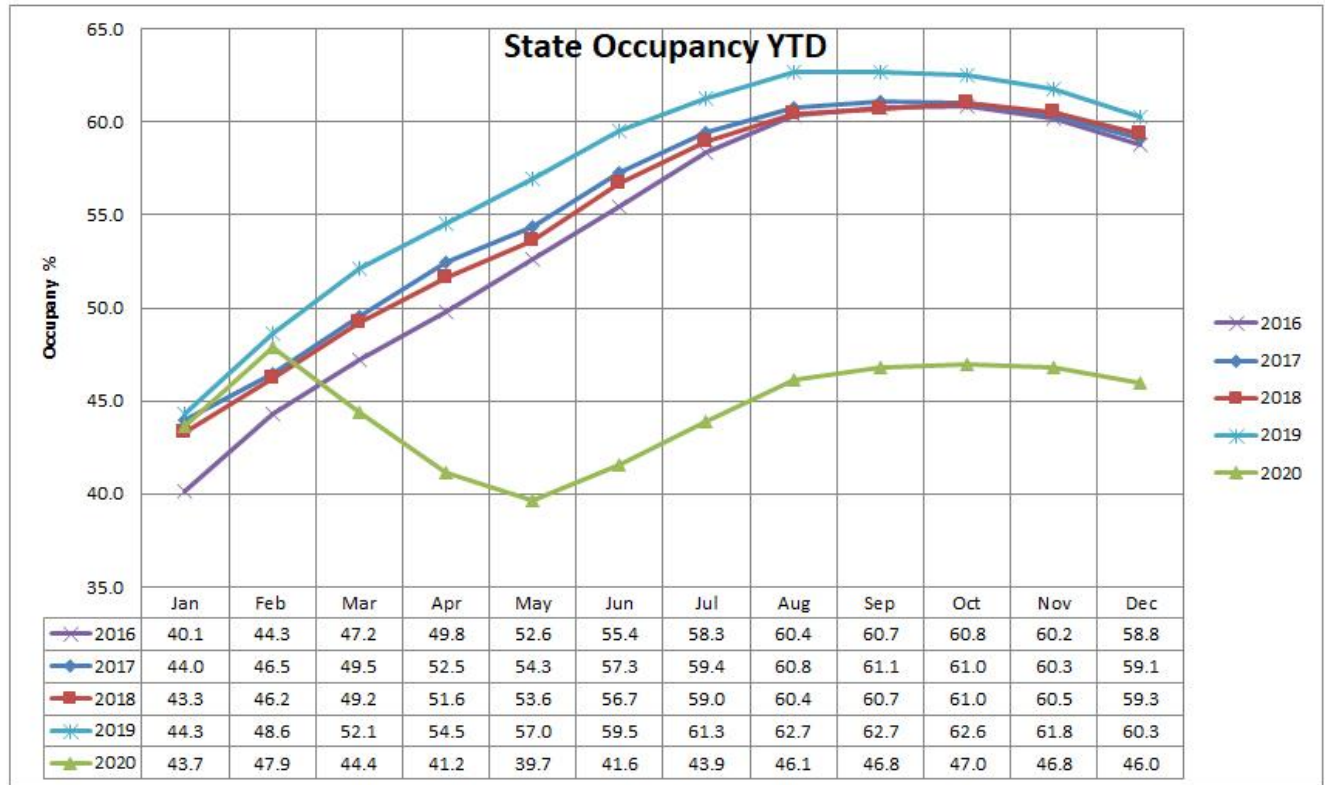
When SB 15 becomes law and as Delaware makes this very important investment in our lower wage workers, it is crucial to the viability of disability services and the stability of this essential workforce that our contracts with the State of Delaware be fully funded at rates that reflect their value as well.

CONNECTING & STRENGTHENING
COMMUNITY SERVICE PROVIDERS

100 West 10th Street • Suite 103 • Wilmington, DE 19801 • 302.622.9177

[Delaware's Impeding Workforce Shortage.pdf.](#)

VI. William Sullivan's Written Testimony



VII. Verna Hensley's Written Testimony



Verna Hensley
 Easterseals Delaware & Maryland's Eastern Shore
 Senate Labor Committee – SB 15
 March 17, 2021

Good afternoon – thank you for the opportunity to testimony in favor of SB 15. When introducing the legislation to raise Delaware's minimum wage to \$15 an hour, Senator Walsh said: "Our essential workers have stepped up for us in heroic fashion. Now we need to step up for them by making sure they are paid a fair and livable wage."

Senator Walsh- Easterseals and the other disability services providers in Delaware wholeheartedly agree with you, and we are in support of increasing the wages of Delaware's essential workers!

That's why we have advocated for the last 14 Years for the State to reimburse service providers at a rate that reflects a livable wage for our Direct Support Professionals. These support workers are the backbone of our labor force and they are essential to the care delivered to Delawareans with disabilities.

That's why we worked hard to pass the McNesby Act in 2018, to require the state to pay the full costs of the services that so many Delawareans with disabilities rely on to live.

The State's current funding supports a wage of only \$9.62/hour for Direct Support Professionals— that's about 50 cents over the current minimum wage in Delaware. These are not minimum wage jobs. To pay a higher wage, along with providing benefits and training, Easterseals must fundraise and pull from other resources. We do this to try to retain Direct Support Professionals. It's a losing battle at the current State funding level.

Contracted providers like Easterseals cannot pass along our increased costs to our clients. The state sets the reimbursement rate for these services— the rates are not negotiated in the contracts. If the State's minimum wage is increased without a significant increase in the contracted reimbursement rates, it will result in a loss of services to people with disabilities.

Senator Walsh – we know you agree with us that an increase in funding for these programs needs to occur this year to raise the wages of Direct Support Professionals. We thank you for stating your support of full funding for services for adults with intellectual/developmental disabilities in a letter signed by you and many of your Senate colleagues, including your fellow Labor Committee member, Senator Poore.

Easterseals and other service providers are hopeful that this will be the year that the promise of the McNesby Act is fulfilled and the State budget will include full funding to give DSPs a livable wage.

Thank you.

VIII. Dustyn Thompson's Written Testimony

Hello my name is Dustyn Thompson and I serve on the Delaware United Steering Committee and we are testifying in support of Senate Bill 15 today. Delaware United has been a supporter of a \$15 minimum wage since we first organized in 2015 and we are supportive of it today. However, we need to recognize that getting \$15 on the books is a start, but it can't be the end. We need to set this law up so that we do not need to keep coming back every few years and fighting this same exact fight over and over again. That is why we are requesting that the minimum wage be indexed to inflation. One of the big reasons we are in this situation today, where workers are actually making less in real dollars than they were through the 1970s, is because for decades lawmakers have failed to make that critical policy change when minimum wages have been increased by legislative means. However, what we need to be looking at is what it takes to live a decent standard of living in Delaware. That is what the purpose of the minimum wage was when it was created. To quote President Roosevelt in 1933, "no business which depends for existence on paying less than living wages to its workers has any right to continue in this country. and by living wages I mean more than a bare subsistence level — I mean the wages of decent living."

IX. Elizabeth Drobit-Blair's Written Testimony



Testimony Submitted to Senate Labor Committee

Wednesday, March 17, 2021

Submitted by Elizabeth Drobit-Blair, Chief Executive Officer, QMA-DE, Inc.

Good afternoon Chairman Walsh, Vice-Chairwoman Poore, and the members of the committee.

First, I would like to give a sincere thank you to Chairman Walsh for his tremendous leadership in recognizing that Direct Support Professionals provide a tremendous service every day and deserve fair compensation because their work is not minimum wage work. I would also like to thank Vice-Chairwoman Poore for her longstanding and continued support of the Intellectual and Developmental Disabilities (I/DD) community. Our entire community truly appreciates the letter of Support Chairman Walsh wrote (and Chairwoman Poore signed) to the Joint Finance Committee which advocated for increased funding for Direct Support Professional's (DSP) wages.

Thank you to the entire committee for the opportunity to speak about the dire need for increased funding to pay the dedicated and mission driven staff who support people with intellectual and developmental disabilities.

Our organization, a small business, fully supports this minimum wage bill. We believe that Delawareans should not have to work two or three jobs just to survive. As the CEO of a residential provider who provides 24-hour community home services across the State of Delaware, I wanted to speak today to the daily fear and struggle that we face. As a community service provider, we are essentially a subcontractor to the State of Delaware. We cannot raise our prices as costs, or a minimum wage, increases. We are entirely dependent on the rates of pay given to us.

We also agree that Delaware must have a minimum wage bill in order to compete with our surrounding states. As a multi-state provider, we must now worry that our Delaware employees will choose to cross state lines and request to be transferred to the other states we serve because the rate of pay is higher for our DSPs there. For example, due to consistent funding increases over the past 4 years in the State of New Jersey (a state which also has a minimum wage increase law already in effect), our New Jersey rate of pay is far higher than minimum wage. We have seen a dramatic decrease in turnover and staff our staying longer.

Our long-term lack of Delaware state funding has meant that our company has had to cut support staff and make severe sacrifices so that we may funnel as much money as possible to our DSPs. And still, we cannot pay a high enough wage to compensate our staff fairly for the amazing work they do every day. **We appreciate that there has been a recognition from committee members that with the passing of a minimum wage bill, there must be additional significant funding to our system.**

At the present time, the DDDS rate system only supports a wage of \$9.62, which is barely above the current minimum wage of \$9.25. As this committee knows, **the work done by DSPs is not minimum wage work.** In order to fully fund our system and adjust to the new proposed minimum wage, our rate system will need an additional 45.32 million dollars.

No one in America who works as hard as our DSPs should ever be forced to live in poverty and we truly appreciate the effort to not only raise the minimum wage, but also recognize that additional state funding will be needed to compensate state subcontractors. Thank you for your ongoing support. We look forward to continuing to work with you on behalf of people with disabilities, their families, and the hardworking staff who support them every day.

X. Max Grovowsky's Written Testimony

Ruffini (2020)

Dow et al. (2019)

Kaufman et al. (2020)

Stopping a Bullet with a Summer Job J-PAL Brief

Rinz and Voorheis (2018)

Dube (2019)

Minimum Wage Employment Review

XI. Adam Kelly's Written Testimony

Good morning, and thank you for giving me the opportunity to submit public comments in support of raising the minimum wage to \$15/hour. I am in favor of any legislation that benefits the working class of this country, especially during these difficult times when we have seen the importance of essential workers, people on the front-lines of this pandemic who have risked their health to keep the economy going, yet are not paid enough to afford basic expenses.

A \$15 Minimum Wage is Good for the Economy.

A \$15 minimum wage would not only benefit many U.S. workers and their families who are currently forced to live on low wages, but also help stimulate the economy and spur business activity in local communities. This is because low-income workers, unlike the wealthy, will spend most of their earnings back into the local economy.

A \$15 Minimum Wage is Equitable

Poverty wages disproportionately affect Black workers and other workers of color, especially women of color. Our economic system is rooted in chattel slavery where workers of color, and especially women of color, are severely underpaid. A \$15 minimum wage would help to narrow the racial and gender pay gaps, and aid in the fight against structural racism and sexism.

A Majority of Americans Support \$15 Minimum Wage.

A recent Reuters/Ipsos poll conducted nationwide between Feb. 18 and Feb. 24, 2021 showed that raising the minimum wage to \$15 by 2025 is broadly popular, with 59% of respondents in support. We understand that raising the minimum wage to a living wage has bi-partisan support among voters, as Florida will be raising their state minimum wage to \$15 per hour by 2026. Despite electing politicians who are against raising the minimum wage so that they are no longer starvation wages, voters made it clear through a ballot initiative that they support progressive policies that are pro-worker.

A Majority of States Understand that the Federal Minimum Wage is Not Enough.

Currently, 29 states and D.C. have minimum wages above \$7.25 per hour, and several States, including our neighbors in New Jersey, Virginia, and Maryland, will phase in a \$15 minimum wage increase by 2025. If wages kept up with productivity and inflation, the federal minimum wage would be around \$24 an hour. A \$15 minimum wage is already a compromise and the bare minimum that we need to pass to help working families struggling to get by.

I believe that if a person works a full-time job, they deserve to be paid enough to support their family. I fully hope that SB 15 will get out of committee so that it can be debated by the general assembly, and I will continue to support this bill when it does.

In solidarity,

Adam Y. Kelly

XII. Carl Lathon's Written Testimony

The question for the committee is "if not now, when?"

Whenever the discussion of raising the minimum wage is engaged, the focus is always on the business owner and not the full time employees who get stuck in minimum wage jobs, having to function with slave wages. A majority of people making minimum wage are working adults, not the new people often highlighted. We have a responsibility to ensure those who are working full time are able to support their families. The \$15 minimum wage is a "step" in that direction.

Thank you.

Carl Lathon

XIII. Curt Fifer's Written Testimony

My name is Curt Fifer, a partner at Fifer Orchards. We are a fruit and vegetable farming operation located in Kent County. Our farm, like many farms across Delaware, hires many seasonal employees at our farm market and to help harvest our crops. In 2020 we paid out 170,000 hours to employees that were at or very close to the minimum wage. A \$1.00 increase in the minimum wage, will increase our labor expense by \$170,000. Minimum wage legislation was passed just a couple years ago, increasing the minimum wage well above the federal minimum wage of \$7.25. I ask you to please consider the federal minimum wage as we compete with other states that have that \$7.25 wage in effect.

Please consider the following:

1. Our current minimum wage is \$8.75 per hour and soon to be \$9.25 as the recently passed legislation in Delaware has outlined. Farms in Virginia, Georgia, South Carolina, North Carolina and Pennsylvania, all huge farming states that are very close to Delaware, continue to have a \$7.25 minimum wage. In Fifer Orchards scenario at 170,000 hours per year, we must somehow recoup that competitive disadvantage of \$1.50. In other words, a farm identical to ours in those large agricultural states that grow the same crops, can operate at a \$255,000 advantage to Fifer Orchards each year.
2. Delaware's largest industry is still Agriculture. Delaware is one of the biggest poultry producers in the United States. A \$15.00 minimum wage will stifle any type of continued investment in Delaware agriculture. Large agricultural companies will spend their investment dollars in more favorable states as they crunch the numbers. There are a lot of Agricultural businesses of all kinds that will be affected by this lack of investment in poultry. Keep in mind that huge Ag states just down the road are still at \$7.25 minimum wage.
3. Large companies have an advantage over small businesses when the minimum wage is so high. The large companies can afford technologies like robots, scannable items, touch screens and a whole host of other technologies throughout their supply chains that reduce their reliance on labor and reduce the amount of jobs. Small businesses can not afford to develop and implement these technologies. Therefore, as you raise the minimum wage, you are giving big business a clear advantage over small business.
4. A 16 year old or person applying for their first job, from my 20 years experience managing first time employees, needs about 2 or 3 months to completely learn how to work, mature and find out all that is expected in a job position. We often have to work around that young person's busy school and activity schedule in order for them to be able to work for us. This training and learning that is provided to them is invaluable as a stepping stone to jobs with more responsibility. They learn to work and show up on time. It keeps them away from a computer screen or device. It keeps them out of trouble and gives them spending money. I don't believe Amazon or Walmart or big business is hiring 16 year olds these days. But the small businesses in Delaware like Fifer Orchards do this critical service in the community each year. Bringing in "newbies" and giving them their first job is an important step for young people. At \$15.00 an hour, it is a tall order to ask of your local Delaware small business to

continue this practice. We don't always turn a profit every year as a business, however, that is our goal.

5. Lastly, I will be honest and say a \$15.00 minimum wage is absolutely hard for me to comprehend in my business operations at this time. We will be making some hard and difficult decisions in our business if this legislation passes. This legislation will affect small business more than any legislation I have seen come across in my 20 years working in Delaware. This is important and major legislation. SB 15 will be affecting our business in significant ways and we will be making some major decisions as a result of this legislation. Please be careful and consider what you are doing and what the results will be to small business in Delaware.

Thank you for your time.

Curt Fifer

XIV. Charlie Copeland's Written Testimony

Thank you members of the Committee... My name is Charlie Copeland. I speak solely for myself as a decades-long Delaware job creator with no employees who make minimum wage.

As a former 2-term State Senator, I had the opportunity to support 1 minimum wage increase and oppose 2 others. So, I am no ideologue when it comes to this issue. If economic conditions allow, I see no problem with raising the minimum wage as good public policy.

Logic tells us – If you want more of something, lower the cost. If you want less of something, raise the cost.

If you want less employment in the State, raise the cost of employment. It is that simple and is obvious.

Now, during good economic times, it is feasible to raise the minimum wage because jobs are plentiful and the marginal impact to the economy is small as to be unobservable.

But during horrible economic times, and for Delaware's family businesses, these are horrible economic times. Raising the cost of employment on thousands of family businesses that are just marginally holding on is a cruel idea.

With a public record of both supporting and opposing minimum wage increases, I'm no ideologue. In this case, if you want less future employment growth in Delaware then – by all means – raise the cost of employment on suffering family businesses.

Or demonstrate that you care about hard working families struggling to keep their corner businesses afloat and table the bill.

XV. James Gill's Written Testimony

Dear Senator Walsh,

I am writing in support of SB 15, to gradually raise the minimum wage to \$15 per hour.

I understand that this bill will have a committee hearing on Wed, March 17.

Since I will be seeing patients at that time so cannot attend that hearing, I would like to submit this letter as my written testimony.

I am a family physician and also a small business owner, since I am the primary owner of my family medicine practice in Wilmington (Family Medicine at Greenhill).

I also own a small research business (Delaware Valley Outcomes Research), based in Newark.

I think many people think that small business owners are opposed to increasing the minimum wage. I am not. I think it is an issue of equity and fairness. It seems unconscionable that people work full time jobs and still do not make enough to live. And of course this disproportionately effects minority populations, which is unfair.

But as a family physician I think it is also a health issue. If people cannot afford decent housing and food, their health deteriorates. That is not only unfair to them, but also ends up costing society more money to pay for their health care or disabilities. So in effect, we in Delaware are already paying the cost of a minimum wage that is too low.

I think small business owners often believe that if the minimum wage is increased they will not be able to afford to hire as many employees. But I believe that if the same minimum floor were required for all employers, it would become the norm and everyone would become used to it and adjust their businesses to it. It would also likely increase employee retention, since you would less likely have employees that you pay \$10/hr leave in 6 months to work for another employer who pays \$10.50.

We should have done this long ago. I know we did raise the minimum wage by about a dollar a few years ago. I don't think it caused any problems for businesses. But it was not nearly enough. It is now time to do the right thing and require a living wage. It is good for equity, good for health, but also good for business.

Thank you for leading this effort.

Respectfully submitted,

James M. Gill, MD, MPH
President, Delaware Valley Outcomes Research
President, Family Medicine at Greenhill
Associate Professor, Jefferson Medical College

XVI. Kevin Fuller's Written Testimony

My name is Tracey Thuo, I'm 59 years old, and a single female living in Wilmington, Delaware. I'm a member of 32BJ SEIU and I've been an essential worker as a commercial cleaner for Elite Building Services at 1201 North Market Street for 4 years.

A \$15.00 minimum wage is very important to me because I am only able to work 20 hours a week. My take home pay is about \$200.00.

After paying rent, electric, phone bill and transportation, I am still struggling to buy food and medication for PTSD and depression. It's a struggle every month. I am working to live paycheck to paycheck.

Not being able to work overtime makes it even harder. Sometimes it feels like the more hours you work, the more your rent goes up. It feel like I can't get ahead, especially in this pandemic with limited hours. I'm afraid to leave the place I live in because I couldn't afford to rent a place anywhere else.

A \$15.00 an hour minimum wage means a lot to all of us working this hard to live paycheck to paycheck. A \$15.00 an hour living wage will make a big difference in my life, in your life, in all of our lives. Thank you.

Let me know if this is okay!

My name is Jean Brummett from Newark, and I'm a commercial cleaner at the Deerfield building of Bank of America. My husband and I have both been on the job for 11 years. I am 65 years old and he is 70.

In November of 2020, Bank of America decided to raise our hourly wages to \$15.00 an hour. This has made a huge difference in my and my husband's quality of life, since. My husband was prescribed a blood thinner, Eloquis, that is very expensive. Even though we have a prescription supplemental, this necessary and lifesaving medication costs us over \$500.00 out of pocket every three months.

Our raises to \$15.00 an hour meant that we were able to afford my husband's medication, and sometimes have a little bit of spending money left over. For our co-workers, that raise meant they could afford things like child care, food, clothing and gas in ways they weren't able to before. It feels good to be able to afford your necessities when you work hard. I appreciate that Bank of America understands that workers deserve dignity and a living wage.

Best,

Kristin

XVII. Matthew Lenzini's Written Testimony

These are points taken from the US Department of Labor and the Federal Reserve Economic Database.

Less than 1.6% of all wage earners - earn the minimum wage

The original minimum wage implemented in 1939 during the depression, was \$0.30 if it were adjusted for inflation, it would not be \$4.40 cents +/- . If it was adjusted for CPI it would be \$7.50 +/-

If we did the same from the late 70's / early 80's, the point in time with the highest percentage of minimum wage earners as a percent of the workforce, it would be \$9.20.

Over 60% of minimum wage earners are part-time employees.

Fewer than 15% of the 1.6% of those earning minimum wage are heads of household aka - trying to live off of minimum wage. This is less than 0.2% of all wage earners.

80% of those earning minimum wage are under 25 or over 65.

Detailed analysis --> [lenzini](#) | [Caesar Rodney Institute Blog \(wordpress.com\)](#)

To quote the CEO of Starbucks - we will be fine, we will just use more automation but the workers won't be....

XVIII. Maureen Quinn Yamamoto's Written Testimony



Executive Office
960A Harvest Drive, Suite 100
Blue Bell, PA 19422
p: 610-825-9860 f: 610-825-4127
KenCrest.org

March 17, 2021

Senate Labor Committee
Legislative Hall
411 Legislative Avenue
Dover, DE 19901

RE: SB 15, An Act to Amend Title 19 of the Delaware Code Relating to Minimum Wage

Dear Committee Chair Walsh, Vice-Chair Poore, and distinguished Members:

I am writing today on behalf of KenCrest, a human services provider of residential services and supports to adults with intellectual and developmental disabilities (I/DD) in Delaware. Thank you for the opportunity to provide testimony on SB 15, An Act to Amend Title 19 of the Delaware Code Relating to Minimum Wage.

In Delaware, KenCrest provides residential support to 75 adults living in the community and employs 215 Direct Support Professionals (DSPs). Founded in 1905, KenCrest has a history of strong advocacy for both people with disabilities and the DSPs who support them. DSPs, also known as direct care workers, are the essential workforce that supports individuals with I/DD to live a meaningful and independent life in the community. These workers are the foundation of the community services system and deserve to make a family sustaining wage.

We support raising Delaware's minimum wage to \$15 per hour, but want to ensure the state's contracted service providers will have their rates adjusted each year to stay ahead of the planned increases in the minimum wage. We would also like to thank Senator Walsh and his colleagues for the letter they sent to the Joint Finance Committee (JFC), urging the committee to invest in the DSP workforce and fully fund the intellectual and developmental disabilities service system. We appreciate the General Assembly's support of the McNesby Act and look forward to working with the legislature and the administration to make the changes necessary to fully fund this system.

Thank you for your work on this important issue and the opportunity to provide testimony.

Sincerely,

Marian Baldini
President & CEO
KenCrest

XIX. Mellissa Hopkins' Written Testimony



100 W. 10th Street
Suite 1012
Wilmington, DE 19801

P 302 777 5500
F 302 777 5386
www.delawarenonprofit.org

To: Members of the Senate Labor Committee

CC: All Members of the Delaware State Senate

From: Melissa Hopkins, Executive Vice President of Sector Advancement

Date: March 17, 2021

Subject: DANA comments regarding SB15 – Relating to the Minimum Wage

As the Senate considers SB15 relating to an increase of the Delaware minimum wage I ask on behalf of our state's nonprofit organizations that you consider the partnership between the State and nonprofits to deliver State services. Delaware nonprofits would like to support a robust living wage for our employees but that requires a true partnership with the state in terms of paying the minimum wage for contracted services.

Delaware nonprofits are compensated for the work they complete on behalf of the state through contracts and grants. We have consistently heard from DANA nonprofit members, that year over year, these contracts and grants are not adjusted to reflect the increased cost to deliver those services. Most of our members who have contracts with the state, indicate their contracts were not adjusted from the last minimum wage increase. This year will only show higher costs due to the pandemic. This is a phenomenon that extends to multiple divisions throughout multiple state agencies to include Department of Health and Social Services, KIDS Department, Department of Corrections, Department of Labor, and the Department of Education. On behalf of the nonprofit sector, we request that SB 15 be amended with language to reflect that state contracts and grants with service providers adjust the rate of pay at the levels of the mandated minimum wage increase.

While SB 15 will increase the minimum wage from \$9.25 to \$15 per hour over the course of 5 years, simply stated, by year two of implementation this measure would spell tragedy for many nonprofits unless the long-term contracts and grants between Delaware and service providing nonprofit organizations reflect a corresponding rate increase.

DANA and most Delaware nonprofits would like nothing more than to pay all their staff \$15 per hour or more but given the current contract situation makes it impossible. Our members share that rates currently established by contract for most services do not factor in the rate of pay for direct care staff at the real cost to serve, and certainly does not typically reflect \$15.00 an hour. Without the state action to increase the contractual wages paid to these employees, nonprofits will not be able to serve at existing levels. This could lead to a reduction in services to the individuals who need assistance, your constituents throughout the state. It is also critical to note that the contract pay rate is non-negotiable and is typically established by the government agency based upon their budget. Those rates remain consistent unless the General Assembly allocates those funds when crafting the budget.

Unlike a for profit business, most nonprofits are not able to raise prices to offset rising costs, and thus would be dependent on public donations to cover those increases. It is important to note that often donors restrict their donations, not permitting nonprofits to use those contributed funds for salaries. Philanthropy will not be able to make up the difference in cost.

Delaware nonprofits would like to support a robust living wage for our employees but that requires a true partnership with the state in terms of paying the minimum wage for contracted services. DANA and our members appreciate your consideration of these concerns as you make your decision on this legislation.

XX. Rebecca Calvello's Written Testimony

ACCD Survey Overall Responses 12-7-2020.excel spreadsheet.

ACCD Total Survey Overall Responses 12-7-2020.excel spreadsheet.