

Cecil Thomas

Ohio Senate
9th Senate District



Hearcel F. Craig

Ohio Senate
15th Senate District

**Government Oversight and Reform Committee
House Bill 90 Sponsor Testimony
Increase State Minimum Wage
September 25, 2019**

Senator Craig:

Chairman Coley, Vice Chairman Huffman, and members of the Senate Government Oversight and Reform Committee, thank you for the opportunity to give sponsor testimony on Senate Bill 90, legislation to revamp Ohio's minimum wage standards.

Currently, Ohio's minimum wage is \$8.55 per hour. For tipped workers, the current minimum wage is \$4.30 per hour. As the result of an amendment to the Ohio Constitution passed in 2006, our minimum wage increases every January relative to the previous year's inflation rate. If the current inflation rate of 1.7% continues, the minimum wage will be \$8.69 per hour in 2020. If this trend continues long term, it will take hard-working Ohioans 33 more years to make above a \$15 per hour minimum wage. This is simply unacceptable and far too slow a rate of increase.

Senate Bill 90 sets a higher minimum wage rate while retaining the constitutionally mandated recalculation requirement. The bill would increase the state minimum wage to \$12 per hour beginning January 1, 2020. It would then require an annual \$1 increase until 2023 when minimum wage will be \$15 an hour. Additionally, SB 90 would allow tipped employees to be paid less than, but not less than half of, the basic state minimum wage rate so long as the employer provides proof that wages and tips paid to employees meet or exceed minimum wage. Under our proposal, the minimum wage for tipped employees increases to \$7.50 per hour by 2023.

Raising the minimum wage not only benefits hourly workers, it also benefits Ohio businesses by injecting millions of dollars back into our local economies. A \$15 minimum wage would go a long way to reduce poverty and income inequality, as well as increase economic security for Ohio families.

More than 1.5 million Ohioans live in poverty, and of those, 14% have incomes below the poverty line of \$24,860 for a family of four. Of these families, their members often work multiple minimum wage jobs. Yet, they're still stuck in poverty. An artificially low minimum wage has kept too many Ohioans trapped in poverty. Raising the minimum wage to \$15 by 2023 would give 2 million Ohioans a raise that is long overdue and will help people lift themselves out of poverty.

Franklin County, which I represent, has a relatively low unemployment rate and the local economy is thriving. Yet, despite the growth and economic vitality, our poverty rate still stands at 16%. One in four Franklin County children live in poverty. Their parents struggle to put food on the table, even though many are employed and working full time.

Senator Thomas:

Thank you, Chairman. While businesses of all sizes have seen numerous tax cuts in the past decade, wage growth is still quite slow. Recently, we've seen some large companies, like Cleveland Clinic, Amazon, and Fifth Third Bank raising their minimum wages. This is promising, but we cannot rely on businesses to implement a piecemeal approach; it leaves behind too many other Ohio workers. We need a statewide approach to lift all of our citizens and provide them with a living wage.

As of July 1, 2018, half of all states and Washington, D.C. have a higher minimum wage than Ohio. We do not want to fall behind on ensuring that our minimum wage workers are earning comparable wages to the rest of the country. Of the 24 states with higher minimum wages, 14 are above \$10 an hour.

The disparities we see in income, and ultimately quality of life, are distressing, but preventable. By raising the minimum wage, we aren't just giving folks a few extra bucks each paycheck. We're recognizing the dignity of their work, whether they're a line cook on the east side or janitor in a downtown high rise. By adopting SB 90, we could begin to reverse some of the historic inequities we see, not only in Franklin and Hamilton counties, but in communities across Ohio. It is time to raise the minimum wage.

Thank you for allowing us to testify on this critical bill. I will now take any questions the committee or the chair may have regarding this proposal.