



## Ability to Waive Minimum Wage Requirements

### House Bill 18-1106

Testimony to House State, Veterans and Military Affairs Committee  
 Rich Jones, Director of Policy and Research  
 January 24, 2018

Thank you for the opportunity to present this testimony. I am Rich Jones, the Director of Policy and Research with the Bell Policy Center. The Bell is a non-partisan, nonprofit research and advocacy organization founded on progressive values and dedicated to helping all Coloradans advance economically.

**The Bell Policy Center opposes House Bill 18-1106 to allow individual employers to negotiate a lower minimum wage with their employees. Many of the workers affected by the minimum wage have limited power to bargain for higher wages and without its protections, could find themselves at the mercy of much more powerful employers with deeper pockets. Instead of adopting policies that could result in lower wages for workers, we should be pursuing policies that raise workers' wages.**

The value of the minimum wage is just that — it is a *minimum* wage — and it must be paid to all employees. It helps insure workers in Colorado are treated fairly. When Coloradans voted in 2016 to increase the minimum wage over time so it reaches \$12.00 per hour by 2020, they set a wage floor for all workers in Colorado and raised the pay for those workers who are paid the least in our economy.

We were part of the coalition who supported Amendment 70 in 2016 to raise Colorado's minimum wage. When fully implemented it will increase wages for 477,000 hardworking Coloradans without hurting jobs or our economy. Almost two-thirds of the workers benefiting from this increase are 25 years old and over, and 142,000 are parents.

This is an important first step in raising wages for Colorado workers at a time when average wages in Colorado have been essentially flat since 2000. In our recent *Guide to Economic Mobility in Colorado*, we found that after adjusting for inflation, average weekly wages increased by \$33 per week, or a little over 3 percent between 2000 and 2016. In its 2017 *Economic Outlook*, the Leeds School of Business pointed out, "Wage growth overall stagnated in 2016, with the state recording just 0.9 percent growth in average annual pay." It also stated

nearly two-thirds of jobs and 3 out of 4 new jobs created in 2016 were in industries that pay below the state's average wage.

**We think HB18-1161 would result in lower wages for some of Colorado's most vulnerable workers and is the exact opposite of what we should be doing. Instead, we should be looking at policies to increase workers' wages and ensure they get paid for the work they do.**

For example, Colorado should adopt the Obama administration's proposal to set the wage threshold for receiving overtime pay at \$47,456 rather than the current \$23,660. Doing so would make an additional 248,000 Colorado salaried workers automatically eligible for overtime pay, at time and a half, and ensure they get paid for the hours they work over 40 hours per week.

**Clearly, HB18-1161 is the wrong way to help Colorado workers get ahead economically and we urge you to vote no on it.**

If you have any questions, or if I can provide further information, please contact me at (303) 297-0456, ext. 224, or [jones@bellpolicy.org](mailto:jones@bellpolicy.org)