

CO-SPONSORSHIP MEMORANDUM

TO: All Legislators
FROM: Representative Melissa Sargent
Senator Bob Wirch
DATE: November 17, 2017
RE: Co-Sponsorship of LRB-0287 relating to a state minimum wage and permitting the enactment of local minimum wage ordinances
DEADLINE: Friday, December 1, 2017

Wisconsinites are working harder than ever just to be able to put food on the table. Low-wage sectors are growing faster than their better-paying counterparts, and [as of 2016](#), one-in-four Wisconsin workers worked poverty-wage jobs, not enough to keep a family of four out of poverty even with full-time, year-round work. Middle-income families are continuing to suffer because of wage stagnation and growing income disparity that has caused Wisconsin's middle class to shrink. In fact, between 2000 and 2013, Wisconsin experienced the [biggest decline](#) in middle-income households in the country.

No hardworking Wisconsinite should have to work full time all year to provide for their family only to have to live in poverty. That's why we are introducing a bill to support working families in Wisconsin by increasing minimum wage to \$15 an hour and indexing wages to inflation. The time is long overdue for us to raise the minimum wage from \$7.25 an hour, which amounts to starvation wages by today's living standards.

LRB-0287 addresses these concerns by creating a livable wage for workers in Wisconsin and ensures wages do not fall behind continued inflation. This bill does three things:

1. Increases Wisconsin's minimum wage to \$15 over a five-year period;
2. After the five-year period, requires the minimum wage to be annually indexed to inflation; and
3. Repeals the provision that prohibits cities, villages, towns, and counties from enacting and administering a minimum wage

Similar bills have been introduced [at the federal level](#), and even industry leaders [like Target](#) understand the importance of paying a livable wage and treating workers with fairness, dignity, and respect.

Wisconsinites deserve to have adequate, livable wages to be able to provide for their families, and it's well past time for Wisconsin to raise the wage. If we can give a foreign corporation \$3 billion in tax incentives, we should be able to give working families a chance to get ahead.

If you would like to co-sponsor the LRB-0287, please contact Representative Sargent's Office at 266-0960 or Rep.Sargent@legis.wi.gov by 5:00 p.m. on December 1, 2017. Cosponsors will be signed onto both bills unless otherwise directed.

Analysis by the Legislative Reference Bureau

Currently, the state minimum wage law requires that employers pay the applicable minimum wage set in statute to their employees. Under that law, the current minimum wage for employees generally is \$7.25 per hour. This bill raises the minimum wage for employees generally as follows:

Minimum wage on effective date \$8.50 per hour

Minimum wage one year after effective date \$10 per hour

Minimum wage two years after effective date \$11.50 per hour

Minimum wage three years after effective date \$13 per hour

Minimum wage four years after effective date \$14 per hour

Minimum wage five years after effective date \$15 per hour

Beginning six years after the bill's effective date, the bill requires the Department of Workforce Development annually to promulgate rules revising the minimum wages established under the bill by determining the percentage difference between the consumer price index for the preceding 12-month period (year) and the consumer price index for the year before the preceding year, adjusting the minimum wages then in effect by that percentage difference, and rounding that result to the nearest multiple of five cents. DWD, however, is not required to revise the general minimum wage if the consumer price index for the preceding year has not increased over the consumer price index for the year before the preceding year.

The bill also repeals 1) provisions establishing a separate, lower minimum wage for tipped employees; 2) a provision that requires DWD to promulgate rules governing the counting of tips or similar gratuities toward payment of the minimum wage; and 3) provisions setting specific meal and lodging allowances. In addition, the bill repeals provisions establishing minimum wages for minor employees, opportunity employees, agricultural employees, and others and instead requires DWD to establish the minimum wage for those employees by rule.

Finally, current law prohibits a city, village, town, or county from enacting and administering an ordinance establishing a minimum wage. This bill eliminates that prohibition.