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AB 356
Testimony

There is a national move to develop self-sufficiency standards. It was originally developed for Wider Opportunities for Women. It is timely for Nevada to consider this legislation because of our uncertain economy along with changes in welfare and workforce development. As parents leave welfare and enter the workforce, they become part of the large number of families who can't stretch their wages to meet basic necessities. They are working poor and are living in poverty or just above poverty.

States haven't tracked the necessary information to help us determine what an adequate or living wage is so we can make good policy decisions. Therefore, the need for defining and developing a self-sufficiency standard is necessary and this bill attempts to address it. The self-sufficiency standard measures how much income is needed for a family of a given composition in a given place to adequately meet its basic needs-without private or public assistance.

We need a standard that focuses on NV, is consistent in the assumptions made and is as objective as possible. Usually, we look to the federal poverty measure to determine that a family is poor if their income is below a threshold and not poor if above a threshold. Simply setting a poverty measure which doesn't look at the costs of child care and health care doesn't give a complete picture. Also, the federal level is not high enough. That's why amendments have been made to CHIP which now makes the standard 200% above the poverty level and Medicaid is extended to families 133% of the federal poverty.

Other problems are: the measure is based on the cost of a single item not the market base. Second, the demographic model from 40 yrs. ago based it on a 2parent family with stay at home mom. It is a one size fit all measure that ignores where someone lives whether it's New York or Bolivar, Missouri.

Therefore, we are attempting to change the policy to one which turns the policy around. It doesn't ask where poverty ends, but rather where economic independence starts. The standard assumes full time working adults and includes costs associated with employment such as,

transportation, taxes, and childcare. It takes into account family size and composition and age of children. It incorporates regional and local variations, it includes the net effects of taxes and tax credits, and finally it assumes a fixed ratio between food and non-food.

The poverty rate of children helps us paint a picture of the need. I have several documents in my handouts to show you the need. Many of our constituents deserve the opportunity to earn a living wage and become self-sufficient.

I have provided to you a copy of an article in the SUN regarding how difficult it is to find housing especially apartments on a \$6-7 dollar wage. Then as I was working on this legislation and wondering if I could even get people to support a \$1.00 increase in the minimum wage I came across this article in Feb. 03 commenting on the Chairman of Harrah's being paid a 3.8 million bonus up from a \$900,000 dollar bonus paid to him in 2001. I'm not intending to single anyone out and I don't begrudge anyone their just pay even though this bonus was in addition to his compensation. I'm sure he's not the only executive or chairman that makes that kind of money but I thought this might show you how miniscule a dollar is to some yet can make such a difference in the lives of our working poor.

Health care is one of the largest costs a family has these days and the costs of uninsured workers continues to burden all taxpayers because they use public hospitals and clinics which drive everyone's costs. Many people catch their illnesses at work such as teachers and grocery stores clerks. Teachers have health care, but not everyone in a grocery store has coverage and they are handling food that consumers buy which can add to the spread of illness. This bill doesn't mandate that if you are a large grocery store retailer you need to provide health care coverage. What it does say is in order to receive a permit from a health authority they must meet certain standards. That language is contained in Section 8 of the bill.

I have provided amendments to the bill which I'll now walk through. I've also provided various backup information for your review.

AB 356 includes a minimum increase in the minimum wage of . 1.00. It also includes that the Labor Commissioner