Testimony Guide for 82

<u>Jump to testimony outline</u> <u>Jump to sample testimony</u>



The DC Council Should Support Workers by Rejecting Mayor Bowser's Effort to Repeal Initiative 82

Mayor Bowser is using her budget to try to overturn Initiative 82, taking the side of the restaurant lobby over hard-working tipped workers. The DC Council should reject it.

Our Demand: The DC Council should remove any changes to the Tipped Minimum Wage from the DC Budget.

DC voters have shown their strong support – twice – for better pay for DC's tipped workers, by voting to eliminate the subminimum wage that tipped workers have struggled to survive on. Initiative 82 – <u>passed</u> with 74% of the vote – called for increasing the base pay of tipped workers to the full minimum wage by July 2027.

The restaurant lobby consistently opposes efforts to help their workers – from eliminating smoking in restaurants and bars, to requiring restaurants to provide paid sick time, to Initiative 82. Their deceptive effort to blame I-82 for every struggling restaurant's problems is no surprise, but should once again be rejected

- The Council should respect the will of the voters as it said it would: In 2022, <u>Chairman Mendelson</u>, <u>Councilmember Janeese Lewis George</u>, <u>Councilmember Brianne Nadeau</u>, <u>Councilmember Matt Frumin</u>, <u>Councilmember Robert White</u>, <u>Councilmember Zachary Parker</u>, <u>Councilmember Charles Allen</u>, and <u>Councilmember Christina Henderson</u> all confirmed that they would respect the outcome of Initiative 82. Initiative 82 was passed with even more support than Initiative 77 which the Council overturned in 2018 showing that residents were serious when they said they wanted their wishes respected and for tipped workers to get decent pay.
- The Council should reject using the DC budget to move this non-budget issue: The budget is the most complex legislation passed each year, and the Mayor or Council sometimes try to sneak important legislation through by attaching it to the budget avoiding the full consideration that stand-alone legislation receives. Council Chair Phil Mendelson has said for years that items not "germane" to the budget should be rejected. Chair Mendelson should commit now to removing the Mayor's repeal of I-82 from the budget.
- The restaurant industry has done fine since the passage of I-82: The pandemic and post-pandemic inflation wreaked havoc on restaurants. Yet the DC restaurant industry has been recovering, and despite current challenges, is in a stronger position than when I-82 passed. According to a recent study by UNITE HERE Local 25, the "Food Services and Drinking Places" industry, as tracked by Bureau of Labor Statistics, grew faster in D.C. proper compared to the full metropolitan area from the 1st quarter 2023 (before I-82 took effect) and 3rd quarter 2024 (the most recent data released). The number of establishments grew 5.1% in D.C. during that period,

compared to 1.0% when you look at the full metropolitan statistical area. Additionally, D.C. workers in food preparation and serving-related occupations, including workers in traditionally tipped positions, saw their annual income increase at a rate higher than workers doing equivalent work in the region as a whole.

The Council should provide targeted solutions that meet real needs, not a blanket rollback of
workers' wages. According to <u>RAMW's survey</u>, fine dining establishments did not anticipate closing
due to any of the increased costs, demonstrating tools are needed that serve DC's smaller and
independent operators, not a sweeping repeal. The DC Council should take a nuanced approach to
aiding the restaurant industry, including grant or loan programs, technical assistance, and
commercial rent control.

Testimony Outline

Header:

DC Council Committee on Executive Administration and Labor
Budget Oversight Hearing
Department of Employment Services
June 4, 2025
[YOUR NAME]

Introduction:

Good afternoon Chairperson Bonds and members of the Committee. Thank you for the opportunity to testify today. My name is [NAME]

Also include: where you live if you live in DC, where you work or your position if you are a tipped worker, if you voted for I-82, any other affiliations you want to share.

Opening paragraph:

Clearly state our demand. Here are a few different ways of saying it:

- The DC Council should remove any changes to the Tipped Minimum Wage from the DC Budget
- The DC Council should stand by the will of the voters and reject any changes to the Tipped Minimum wage in the FY26 budget
- The Committee on Labor and Executive Administration should remove any changes to the Tipped Minimum Wage from the DC Budget.

Further paragraphs:

Tell your story. This can include: your experience as a tipped worker, patron, I-82 voter, worker justice advocate, etc.

Share facts to the extent it is comfortable and makes sense for you to do so. The most important thing is that you express your personal experience and perspective.

Closing paragraph:

Reiterate our demand: The DC Council should remove any changes to the Tipped Minimum Wage from the DC Budget.

Thank them for their time: Thank you for your time, and I am happy to answer any questions.

Sample Testimony

DC Council Committee on Executive Administration and Labor Public Roundtable on Tipped Wages and the Tip Credit Elimination in the District of Columbia January 15, 2025 Eduarda Serafim Solidarity Organizer, DC Jobs with Justice

Good afternoon Chairperson Bonds and members of the Committee. Thank you for the opportunity to testify today. My name is Eduarda Serafim, and I am the Solidarity Organizer at DC Jobs With Justice. We have a long history of advocating for fair and accountable workplaces in DC, especially for tipped workers, through supporting legislation like DC's minimum wage law, Paid Sick and Safe Leave, and the Wage Theft Amendment Act.

I strongly support the Tip Credit Elimination Act, or Initiative 82, and urge the Council to ensure its full implementation throughout the full implementation period ending in 2027. Supported by over 70% of DC voters, Initiative 82 was necessary to address long-standing systemic failures that left tipped workers vulnerable to wage theft, exploitation, and income instability. The Bureau of Labor Statistics confirms that, on a purely numerical basis, this initiative has had no statistical impact on the restaurant sector. From March of 2023 to March of 2024, DC has seen a net increase of 84 bars and restaurants, with a corresponding net increase of 467 employees.

I am very disappointed in the characterization of I-82 supporters in this conversation. DC JWJ is a 20-year old organization. Currently our largest funder - ½ of our budget - is the Office of the Attorney General where we work closely with them to fight wage theft, including in the restaurant industry. We talk constantly to workers, we are not separate from DC and restaurant workers.

Last year, my partners and I were here. And owners from the restaurant industry were begging the Council to act.... But that time they said "rip off the bandaid, everyone wants the increase all in one go." Now industry representatives are saying the opposite. Our message has remained consistent: stay the course on the ballot as passed by the voters and ensure tipped workers make DC's minimum wage. Protect the wages of tipped workers and end exploitation in the restaurant industry.

Wage Theft and Exploitation

As DC's enforcement arm, the OAG sees that wage theft - including theft that uses the tip credit as a shield - is a major problem in DC.

Two recent cases prosecuted by the Attorney General highlight why Initiative 82 is critical. IHG Management and Swahili Village both settled cases exploiting workers—failing to pay wages, withholding tips, and violating DC's wage laws. At Swahili Village, many workers, including young African immigrants, were underpaid, denied overtime, and stripped of tips they earned. These are not isolated incidents but part of an industry-wide problem where some employers operate on a model of worker exploitation. As an organizer that educates workers about their rights in order to reduce wage theft, it is easier to tell them what the minimum wage is than to explain the details of the tip credit. The elimination of the tip credit and including

the full minimum wage in the base pay of tipped workers is the clearest way to reduce tip theft and ensure workers make at least the DC minimum wage every hour they work.

Our research at DC Jobs With Justice further confirms this. In examining the District's Tip Portal, we found that 89% of restaurants failed to report wages consistently. Of those who did, 39% reported that they illegally paid workers below the DC minimum wage. Requirements to report were not sufficient to provide transparency and ensure workers receive the full minimum wage.

<u>Income Instability for Tipped Workers</u>

Beyond wage theft, tipped workers have long faced profound income instability, relying on customers' tips to make ends meet. This unpredictability left workers unable to plan for their financial needs or support their families. Initiative 82 changed this by phasing out the tipped credit, ensuring workers receive a stable base wage while still allowing tips to supplement their income.

The Path Forward

The existing system was riddled with wage theft, instability, and inequities. By passing Initiative 82, DC voters committed to ensure workers stability and fairness, guaranteeing they are paid at least the minimum wage. I urge the Council to continue supporting its implementation and ensure DC leads in protecting workers' rights and economic justice.

Restaurant workers are in need of the protection and oversight by this Committee. They face significant failings by their employers who often do not follow DC's workplace rights ordinances. For example, 50% of the restaurants investigated by the OAG in 2024 did not provide sick and safe leave to their employees, or actively interfered in its use. Additionally, the Trump administration has repeatedly attacked immigrant workers - including recent news of planned workplace raids in the DMV with hospitality listed as a possible sector. Immigrants are at the heart of restaurant work. This Committee should seek to ensure that all DC workers are well informed and laws are used to protect their rights and wages, not to consider the roll-back of popular wage increases.

Thank you for your time, and I am happy to answer any questions.

Legislative language

Budget Support Act:

"(f)(1) The minimum hourly wage required to be paid by an employer to an employee who receives gratuities ("tipped minimum wage"), provided that the employee actually receives gratuities in an amount at least equal to the difference between the hourly wage paid and the minimum hourly wage as set by subsection (a) of this section, shall be as of October 1, 2025, \$5.95. "(2) Beginning on July 1, 2026, and no later than July 1 of each successive year, the tipped minimum wage shall be increased in proportion to the annual average increase, if any, in the Consumer Price Index for All Urban Consumers in the Washington Metropolitan Statistical Area published by the Bureau of Labor Statistics of the United States Department of Labor for the previous calendar year. Any increase under this paragraph shall be adjusted to the nearest multiple of \$.05.".

Fiscal Impact Statement:

Subtitle (II)(F) – Tipped Minimum Wage Amendment Act of 2025 Background The subtitle sets19 the tipped minimum wage to \$5.95 as of October 1, 2025, provided the employee receives gratuities at least equal to the difference between the standard minimum wage and the wage paid. The subtitle increases the tipped minimum wage by the rate of inflation beginning July 1, 2026 and annually thereafter. The current tipped minimum wage for tipped employees is \$10 per hour, provided the employee receives tips in an amount at least equal to the difference between the hourly wage paid and the standard minimum wage.20 The tipped minimum wage is set to increase to \$12 per hour on July 1, 2025.21 The subtitle removes a prohibition on the applicability of the tipped minimum wage to DC Government employees or contracts with the DC Government. Financial Plan Impact The subtitle does not have an impact on the budget and financial plan. The Department of Employment Services can perform outreach and enforce tipped wage laws within current resources.

Testimony Outline

Testimony Outline

Header:

DC Council Committee on Executive Administration and Labor
Budget Oversight Hearing
Department of Employment Services
June 4, 2025
[YOUR NAME]

Introduction:

Good afternoon Chairperson Bonds and members of the Committee. Thank you for the opportunity to testify today. My name is [NAME]

Also include: where you live if you live in DC, where you work or your position if you are a tipped worker, if you voted for I-82, any other affiliations you want to share.

Opening paragraph:

Clearly state our demand. Here are a few different ways of saying it:

- The DC Council should remove any changes to the Tipped Minimum Wage from the DC Budget
- The DC Council should stand by the will of the voters and reject any changes to the Tipped Minimum wage in the FY26 budget
- The Committee on Labor and Executive Administration should remove any changes to the Tipped Minimum Wage from the DC Budget.

Further paragraphs:

Tell your story. This can include: your experience as a tipped worker, patron, I-82 voter, worker justice advocate, etc.

Share facts to the extent it is comfortable and makes sense for you to do so. The most important thing is that you express your personal experience and perspective.

Closing paragraph:

Reiterate our demand: The DC Council should remove any changes to the Tipped Minimum Wage from the DC Budget.

Thank them for their time: Thank you for your time, and I am happy to answer any questions.

Sample Testimony

Sample Testimony

DC Council Committee on Executive Administration and Labor Public Roundtable on Tipped Wages and the Tip Credit Elimination in the District of Columbia January 15, 2025 Eduarda Serafim Solidarity Organizer, DC Jobs with Justice

Good afternoon Chairperson Bonds and members of the Committee. Thank you for the opportunity to testify today. My name is Eduarda Serafim, and I am the Solidarity Organizer at DC Jobs With Justice. We have a long history of advocating for fair and accountable workplaces in DC, especially for tipped workers, through supporting legislation like DC's minimum wage law, Paid Sick and Safe Leave, and the Wage Theft Amendment Act.

I strongly support the Tip Credit Elimination Act, or Initiative 82, and urge the Council to ensure its full implementation throughout the full implementation period ending in 2027. Supported by over 70% of DC voters, Initiative 82 was necessary to address long-standing systemic failures that left tipped workers vulnerable to wage theft, exploitation, and income instability. The Bureau of Labor Statistics confirms that, on a purely numerical basis, this initiative has had no statistical impact on the restaurant sector. From March of 2023 to March of 2024, DC has seen a net increase of 84 bars and restaurants, with a corresponding net increase of 467 employees.

I am very disappointed in the characterization of I-82 supporters in this conversation. DC JWJ is a 20-year old organization. Currently our largest funder - ½ of our budget - is the Office of the Attorney General where we work closely with them to fight wage theft, including in the restaurant industry. We talk constantly to workers, we are not separate from DC and restaurant workers.

Last year, my partners and I were here. And owners from the restaurant industry were begging the Council to act.... But that time they said "rip off the bandaid, everyone wants the increase all in one go." Now industry representatives are saying the opposite. Our message has remained consistent: stay the course on the ballot as passed by the voters and ensure tipped workers make DC's minimum wage. Protect the wages of tipped workers and end exploitation in the restaurant industry.

Wage Theft and Exploitation

As DC's enforcement arm, the OAG sees that wage theft - including theft that uses the tip credit as a shield - is a major problem in DC.

Two recent cases prosecuted by the Attorney General highlight why Initiative 82 is critical. IHG Management and Swahili Village both settled cases exploiting workers—failing to pay wages, withholding tips, and violating DC's wage laws. At Swahili Village, many workers, including young African immigrants, were underpaid, denied overtime, and stripped of tips they earned. These are not isolated incidents but part of an industry-wide problem where some employers operate on a model of worker exploitation. As an organizer that educates workers about their rights in order to reduce wage theft, it is easier to tell them what the minimum wage is than to explain the details of the tip credit. The elimination of the tip credit and including

the full minimum wage in the base pay of tipped workers is the clearest way to reduce tip theft and ensure workers make at least the DC minimum wage every hour they work.

Our research at DC Jobs With Justice further confirms this. In examining the District's Tip Portal, we found that 89% of restaurants failed to report wages consistently. Of those who did, 39% reported that they illegally paid workers below the DC minimum wage. Requirements to report were not sufficient to provide transparency and ensure workers receive the full minimum wage.

Income Instability for Tipped Workers

Beyond wage theft, tipped workers have long faced profound income instability, relying on customers' tips to make ends meet. This unpredictability left workers unable to plan for their financial needs or support their families. Initiative 82 changed this by phasing out the tipped credit, ensuring workers receive a stable base wage while still allowing tips to supplement their income.

The Path Forward

The existing system was riddled with wage theft, instability, and inequities. By passing Initiative 82, DC voters committed to ensure workers stability and fairness, guaranteeing they are paid at least the minimum wage. I urge the Council to continue supporting its implementation and ensure DC leads in protecting workers' rights and economic justice.

Restaurant workers are in need of the protection and oversight by this Committee. They face significant failings by their employers who often do not follow DC's workplace rights ordinances. For example, 50% of the restaurants investigated by the OAG in 2024 did not provide sick and safe leave to their employees, or actively interfered in its use. Additionally, the Trump administration has repeatedly attacked immigrant workers - including recent news of planned workplace raids in the DMV with hospitality listed as a possible sector. Immigrants are at the heart of restaurant work. This Committee should seek to ensure that all DC workers are well informed and laws are used to protect their rights and wages, not to consider the roll-back of popular wage increases.

Thank you for your time, and I am happy to answer any questions.

Legislative language

Legislative language

Budget Support Act:

"(f)(1) The minimum hourly wage required to be paid by an employer to an employee who receives gratuities ("tipped minimum wage"), provided that the employee actually receives gratuities in an amount at least equal to the difference between the hourly wage paid and the minimum hourly wage as set by subsection (a) of this section, shall be as of October 1, 2025, \$5.95. "(2) Beginning on July 1, 2026, and no later than July 1 of each successive year, the tipped minimum wage shall be increased in proportion to the annual average increase, if any, in the Consumer Price Index for All Urban Consumers in the Washington Metropolitan Statistical Area published by the Bureau of Labor Statistics of the United States Department of Labor for the previous calendar year. Any increase under this paragraph shall be adjusted to the nearest multiple of \$.05.".

Fiscal Impact Statement:

Subtitle (II)(F) – Tipped Minimum Wage Amendment Act of 2025 Background The subtitle sets19 the tipped minimum wage to \$5.95 as of October 1, 2025, provided the employee receives gratuities at least equal to the difference between the standard minimum wage and the wage paid. The subtitle increases the tipped minimum wage by the rate of inflation beginning July 1, 2026 and annually thereafter. The current tipped minimum wage for tipped employees is \$10 per hour, provided the employee receives tips in an amount at least equal to the difference between the hourly wage paid and the standard minimum wage.20 The tipped minimum wage is set to increase to \$12 per hour on July 1, 2025.21 The subtitle removes a prohibition on the applicability of the tipped minimum wage to DC Government employees or contracts with the DC Government. Financial Plan Impact The subtitle does not have an impact on the budget and financial plan. The Department of Employment Services can perform outreach and enforce tipped wage laws within current resources.