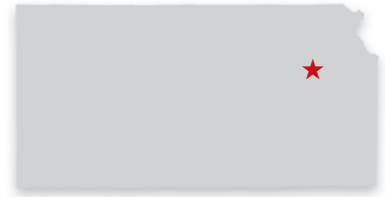


THE MEMBER VOICE IN KANSAS



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» Action Needed to Reject State Minimum-Wage Hikes

A MULTITUDE OF ISSUES affecting small business are poised to become hot topics during the 2008 legislative session. Among those most likely to appear will be an increase in the state's minimum wage.

A coalition of social interest groups called the Kansas Action Council held a press conference at the state capitol building to announce its push for an increase in the state minimum wage. The initial goal of the group is to raise the state wage to the federal level recently approved by Congress. However, it's safe to assume that the ultimate goal of the group is to raise the state minimum wage to a level above the federal mark.

We will fight against this and any other proposal to increase the state minimum wage. As is the case with every issue, we will point to the *Member Ballot* process to verify that small-business owners have clearly spoken on the issue.

In a recent *Member Ballot*, an overwhelming 82 percent of members opposed increasing the minimum wage. They also expressed a belief that market forces—should drive wage levels. Furthermore, increasing the minimum wage does not just affect workers' earnings; it creates a ripple effect that often results in higher prices.

If faced with a minimum-wage hike, the majority of our members surveyed said they would do the following:

- Reduce hours, reduce their number of employees or replace low-skilled workers with higher-skilled workers.
- Leave jobs vacant, reduce the amount of wage increases, increase prices where feasible and take hits on the bottom line.

Looking at states with the highest minimum-wage rates in the nation, job vacancies are currently at record levels in sectors such as leisure services, hospitality services and health care. Apparently, market forces are at work, as small-business owners cannot or will not hire new associates at these rates.

It's important to note that as experience is gained and skills are developed, nearly two-thirds of minimum-wage workers move above that rate within one year. Workers making more than the minimum wage expect a proportional increase in their wages, which often increases the cost of benefits as well. This all translates to higher prices for the consumer.

In preparation for the next legislative session, we need to hear your stories about how the federal minimum-wage hikes are affecting your business. In addition, it's crucial for the Kansas Legislature to know what actions you would be forced to take in response to a state minimum-wage hike.

★ Please contact NFIB/Kansas State Director Derrick Sontag (derrick.sontag@nfib.org, 785-213-9769) with your minimum-wage story.

Member Input Needed on Health Care

THE LEGISLATURE IS POISED to tackle the health-care issue head-on during the 2008 session. Lawmakers will no doubt be hearing from citizens all across the state about how our government can assist in providing more affordable health care for all Kansans.

Clearly, a step in this direction was taken when the state created the Kansas Health Policy Authority to gather public input and make recommendations to the governor and the Legislature as to how they can help provide better quality, better access and more affordable health care to all Kansans.

We're supportive of the state's interest in exploring avenues that may lead to more affordable health care. However, we have seen other states with established structures similar to the KHPA put forth proposals that we would vehemently oppose in Kansas. For example, legislation is being sought in California and other states that would require small-business owners to allocate a certain percentage of their payroll costs toward health care. If the hypothetical mandated allocation is 7.5 percent and the business already provides health-care coverage to its employees, but the cost of that coverage is less than 7.5 percent, the business would then be required to make up the difference.

The government approach of forcing mandates on small business continues to be unacceptable to our members. And we'll need your help to oppose such proposals.

We'll be at the bargaining table during the upcoming session to represent the best interests of small business. However, in preparation for these meetings, we need you to share your story. The KHPA is allowing public input at www.khpa.ks.gov.

82% AN OVERWHELMING 82 PERCENT OF MEMBERS OPPOSED INCREASING THE MINIMUM WAGE IN A RECENT MEMBER BALLOT.