



303 E. 17th Ave., Suite 400, Denver, CO 80203 • 303-297-0456 • www.bellpolicy.org

HB 25-1208

Local Governments Tip Offsets for Tipped Employees

Andrea Kuwik, Director of Policy and Research, February 20, 2025

Thank you Madam Chair and members of the committee. My name is Andrea Kuwik. I'm the Director of Policy and Research with the Bell Policy Center. We provide policymakers, and the public with reliable resources to develop a practical policy agenda that promotes economic mobility for every Coloradan.

Respectfully, we are here in an oppose position. We do appreciate the attention which sponsors are calling to the financial challenges some restaurants are facing. However, we have significant concerns with this bill's approach to solving these problems.

Our concern is that, if passed, HB 1208 will directly reduce compensation for tipped workers in Boulder, Denver, and Edgewater by up to \$4 an hour. CDLE estimates that the average impacted worker would see a \$5,000 yearly reduction in pay. This qualifies as a significant pay cut for the vast majority of Coloradans, but particularly for those who are already economically stressed. This includes many servers and bartenders in the Denver metro who, according to the Bureau of Labor Statistics, made an average of \$18.86 an hour in 2023. This equates to under \$40,000 a year for a full-time worker - which is not enough to qualify as a living wage in Denver.

While we find the reduction in worker wages which would occur as a result of this bill concerning in and of itself, the timing of this reduction is particularly alarming. It's hard to miss how growing costs are resulting in increased challenges for Coloradans. For example, compared to before the COVID pandemic, eviction cases are up by 80 percent. Data from Colorado's Attorney General shows rising loan delinquencies. And the percent of Coloradans experiencing food insecurity has grown from 8 to 11 percent

between 2021 and 2023. These economic trends indicate that now, more than ever, we should not be cutting worker wages.

Again, we recognize the challenges that some restaurants are facing. However, we do not believe that the solution to this problem should exacerbate financial and economic challenges for Colorado workers.

Thank you again for the opportunity to testify, and I'm happy to answer any questions.