

March 26, 2024

The Honorable Arthur J. Corvese
Chairman, House Committee on Labor
Rhode Island State House
82 Smith Street
Providence, RI 02903

Re: Opposition to H 7531

Chairman Corvese and Members of the House Labor Committee,

As a bartender and bar manager at Fresco Restaurant located in West Warwick, I write to express my opposition to H 7531, which would eliminate the tipped minimum wage.

Working as tipped employees in the hospitality industry provides myself and our staff the opportunity to maximize their earning potential through earning gratuities by providing excellent customer service. I am concerned about the negative effects this bill would have on their income, shift availability and flexibility, and the overall hospitality experience by imposing increase wage burdens on restaurants, rather than the current system supported by customer gratuities.

If implemented, I believe restaurants will be forced to implement new policies to absorb these increased costs that could harm businesses, customers, and servers. Raising menu prices poses risks to the volume and frequency that our patrons would dine out. Losing customers or seeing them less frequently would result in reduced needs for staffing, reducing staffing needs, taking away the flexibility and opportunities for industry professionals to earn a living in hospitality.

Other options like imposing a house service charge to cover the shift in wage responsibility may drastically reduce or eliminate entirely gratuities generated from customers, leaving our servers' earnings closer to the minimum wage than they currently are. It is important to note that our servers and bartenders make far in excess of the current \$14 minimum hourly wage, and while this bill is claimed to support raising wages, I fear its actual impact would be to lower them. Beyond that, this bill would likely eliminate the majority of full-service restaurants in the State of Rhode Islands ability to remain in business.

If this bill were to pass I will prepare to exit the State of Rhode Island permanently.

I respectfully ask that you oppose H 7531. Thank you for your consideration.

Sincerely,

Audra Costa
Johnston Rhode Island