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ROLL NUMBER

DESCRIPTION

2/22

2007 SENATE INDUSTRY, BUSINESS AND LABOR

SB 2122

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. **SB 2122**

Senate Industry, Business and Labor Committee

Check here for Conference Committee

Hearing Date: **February 5, 2007**

Recorder Job Number: **2766**

Committee Clerk Signature



Bill would raise the minimum wage over 3 year period:

Tim Mathern – Senate District 11 - In Favor

TESTIMONY # 1

In favor of passage of bill as it increase the minimum wage over time. Orderly process that accommodates the needs of small business in ND. Bill would increase the minimum wage 70 cents per year over the next 3 years with a wage of \$7.25 for June 1, 2009. The last increase was in 1997. MN & MT minimum wage is \$6.15. [read testimony]

S Potter We will hear 2370 following this bill, same fiscal note, what is the difference?

2 differences: one is an emergency bill, one allows the Labor commissioner to adopt rules establishing a state minimum wage different from the law we're about to pass.

S Klein: We can cover that in the next bill.

S Mathern: I think we have a bill that takes leadership, it didn't wait around until the congress and President create some sort of noise that they might be interested. If there are ways to make the bill better, we encourage you to amend this bill. My goal is getting money to families if there are ways to get the money to family faster, please do it.

S Hacker: On your graph on the last page, is this online where I can find more information about family poverty?

S Mathern: This is on line available, what I noted, the sources are on the bottom of the chart.

S Hacker: There is no website shown at the bottom, I can look around.

S Heitkamp: There are people who will come after you who will say this isn't needed, the businesses are taking care of that; you can't find a minimum wage job at Burger King or McDonalds for example. What do you say to that?

S Mathern: Then those people better get up here and support this bill. This does have a positive impact. We are sending a negative message across the country. [10:54m examples] We are paying to have training for jobs in ND and on the other hand we are not paying them, we are the lowest minimum wage state, we aren't going to get people to come here. I has value in just public relations perspective. Have a chart of wages around the country, all the states are moving beyond \$5.15. If we have a headline that says we're the lowest, we're not going to get those jobs. The message to the single mother is they aren't making that low of wage, they want the cash to prove it.

S Heitkamp: There are others that say, in the hotel industry, gas pump industry, that's what they pay, that's what the market draws, it's a competitive industry.

S Mathern: Look at the salaries of the people who own those industries. Ask them, "Have you kept your salary exactly the same since 1997?" I'm asking for them to share a little bit of the increase in the economy with those who are on the bottom end.

Representative Jasper Schneider – Central Fargo – In Favor

In favor of raising the \$5.15 to \$7.25 over the next few years. If you work full time at \$5.15 hour, you're making \$10,700 year. There are 4000 are currently making minimum wage in ND. When talking about raising minimum wage, you have to look at who will benefit with \$5.50, \$5.75, \$6.50 an hour. That number jumps up to 21,000 people it would benefit. There are 4 different minimum wage bills, one is going to pass. The differences of 2122 and 2370 is the

contingency clause and only passes if it passes federally. Don't make it contingent to what the Federal does.

John Risch – United Transport – In Favor

TESTIMONY #2

Served on minimum wage conferences. In 1990 the minimum wage was passed by democratic congress and signed by George Bush, Sr. 1996 was passed by republican congress and signed by President Clinton. And now a democratic congress has passed a minimum wage bill in both houses and President Bush has agreed to sign this on his desk.

[covers testimony] The minimum has loss in purchasing power, there are 4 bills, any of the proposals should have an automatic adjuster for inflation. This doesn't improve things for workers, it keeps them from falling further behind. I feel it should be raised to \$8 an hour immediately. Feel it's a right thing to do; it rewards workers for their work, not open to loafers.

S Klein: In your comment to help the poor, that is not open to loafers, doesn't the economy regulate that? That loafers are the ones getting minimum? We are way above helping loafers.

J Risch: The amount of pay you receive doesn't seem coordinate all the time with the amount of work that you do. There are those who are underpaid. School teachers, child care workers and things of that nature that should be given much higher pay. Example: Real Estate agent who sells the house and makes more money than the carpenter that built it.

Floor that you can't drop below. Some employers will only raise the rate only if required by law.

S Klein: Do your friends, neighbors, is anyone at that level?

J Risch: Tipped employees are \$3.45 hour would see an increase. 2/3 of the minimum wage.

S Klein: So you're suggesting that we eliminate the tips, they would go to the owner and that they should be paid like all the other employees?

J Risch: Suggest to eliminate the tip credit all together, the tip credit allows the employer to pay less than the minimum wage. 2/3 of the minimum wage.

S Hacker: Does United Transportation have minimum wage for their people?

J Risch: Absolutely not. We have a collective wage agreement.

S Hacker: Does your union represent any employees that have any wage based on a minimum wage multiplier?

J Risch: Over the years, there may be in a labor agreement. I've never seen a labor agreement anywhere in the U.S. and I've called around and find one.

S Heitkamp: "Market-driven" jobs and what jobs pay for that. Is there a belief for you who have dealt with labor issues, worker's rights issues in the state, is there a belief that certain jobs end up, people feel that "that's what that jobs worth." EX: School teachers might meet the criteria of what this bill is. We have devalued our school teachers and they don't need to get "X" amount of money 'cuz they get summers off; society-wise, does it become the norm that "just be glad you got a job because you're cleaning out a hotel room." Do we as a society need to make sure to react to that to make sure that they're not living 1/3 below poverty level on their salary?

J Risch: It's the role of government to place a floor on the wages, and there is some of that mentality.

S Wanzek: I employ 8 people, even at \$8 it doesn't affect us, but need to contact my uncle as his comment one time, it's not the ones on the low end that he minds paying more, but he has contracts tied to the minimum wage will result in a dramatic cost in upper end that it will put a strain on the jobs available.

J Risch: I've never seen a labor agreement tied to a minimum wage, when it increases, they would ask their employer for a wage increase as well. Does he have labor agreements?

S Wanzek: Maybe it's the pressure, does that help the minimum wage bill? If you raise the bar, inflation and raise the cost of things.

J Risch: There is no evidence that raising the minimum wage has any impact on inflation. We hope it raises people in the minimum wage as well. Anything close to minimum, those need to be raised.

S Potter: When I started my employment years ago at 90 cents an hour, minimum was 40 cents, I wasn't getting tips; not every employee is covered by a federal minimum wage increase, the Labor Commissioner takes action to bring all workers to ND up to that?

J Risch: One of my attachments in testimony is the minimum poster put out by the Dept of Labor. There are exemptions in ND. Historically what's happened, the ND Labor commission will hold a wage conference of people and issues to see if there should be exemptions of the minimum wage brought up and the Labor commissioner has the final authority in order to allow exceptions. Examples: babysitters, handicap, work at church camps, Those are all dealt with.

Dave Kemnitz – ND AFLCIO – In Favor

TESTIMONY # 3 [31:02m]

[Discussed charts and state trending. Referred to Table 3A.]

If you work, you shouldn't be poor. [Showed colored brochure.]

With wages and tips, the pay taxes declared in tax report as accommodations and food services. [35:10m story of daughter] Daughter couldn't get 10 hours a week, would receive just over minimum wages. Have people who need several jobs to pay for housing, food, medical. \$21,000+, as parents, subsidizing kids in life. The struggle is desperate, need to address their struggle to earn their independence.

S Klein: In reference to youth, is it the first opportunity with a new job, or just be out of the house? She's learning to earn a salary, and learning something.

D Kemnitz: We started our kids as 14, 15, 16 years old with an allowance, they had to earn them. They started the skill base to know it wasn't a hand house, and had to work for it. One is doing ok, one is trying.

S Klein: The Job Service list, yearly or monthly reported to Job Service, many workers are not 40 hours a week, is this based on 40 hours a week I think this is quarterly. Hotel employees are not 40 hours a week.

S Potter: A total of 48,000 people will be affected directly and indirectly. If someone makes \$7.50, doesn't that rate go up too?

D Kemnitz: It is the people affected by the minimum wage increase at \$7.25 an hour, 21,000, that many would be affected positively.

S Potter: You say directly and indirectly, the other 27,000 are those just over minimum wage today?

D Kemnitz: Can't answer that.

Connie Hildebrand – Lobbyist

[Introduced two speakers.]

Mary Splichal – Member of Bis-Man Branch of AAUW - In Favor

TESTIMONY # 4

Covers testimony. It will benefit the working woman, does not have negative impact on jobs, her example shows women hold down 4 jobs to pay for the home and food.

Nancy Sand – NDEA - In Favor

This bill would affect a number of our employees in the state. They do salary and benefits survey. Don't know statewide how many individuals would be affected by this by this bill, but know that we have reports, of those at \$6 an hour, we would like it done earlier.

S Heitkamp: Where do the ND Teachers rank in the relation across the nation in pay?

N Sand: Towards the bottom.

S Heitkamp: "Rising tide rises all ships" – you don't just affect those that make \$5.15 an hour, you may affect some other people in a positive way.

N Sand: I would assume that perhaps if the minimum wage was raised that that would also raise the other staff members as well. That's the way it generally works.

Cheryl Bergian – ND HRC – In Favor

TESTIMONY # 5 [Goes over testimony 45:34m]

[presented websites for internet locations.

Sandy Updahl – Resident of ND – In Favor

Would be nice to see ND take lead for citizens of ND. Going from \$5.85 to \$7.25 in 2.5 years is a long time. Rising \$1.40 in an 8 hours shift would be \$11.20 a day. 21,000-48,000 individuals will be affected and they will stay in ND, put the money back in ND.

Don Morrison – ND People, Org. – In Favor

TESTIMONY # 6

What kind of nation do you want, not because lack of money, it is the responsibility to those people who work. Why is there resistance to honor work or increase the minimum wage. \$10,700 is the minimum wage, wages should keep you out of poverty, not put you into it. Example: Mom working could not attend school functions as she needed to work several jobs. Good when wages go up, can then pay rent, food, and go to doctor.

OPPOSED

Nicki Weisemiller [?], ND Hospitality Association

Have an issue with the bill and opposes. Not that we don't want people to gain, but you have to have "X" amount of dollars. Supplies go up, I agree there is a problem for workers, but what

does the worker do when my checkbook says "no money." How many people testifying are business owners? When I write a check it has to have money to support it.

Does the business go down, do I lay off employees, some companies are hardly making it now. What about some business who need to sustain employees.

S Hacker: When you polled businesses, how many employees across the state make minimum wage and make tips?

N Weismiller: Don't have a number. In the rural areas there are quite a few, in the urban bigger cities, very, very few. The fact is in Fargo, GF, Minot, they can't do a minimum with tips.

S Hacker: The restaurant staff and bartenders are making more than minimum wage?

N Weismiller: By the time you consider tip wage and what they get for tips.

S Hacker: Not including tips. We got the number of 21,000 ND at minimum wage, I'm curious to know, of that 21,000, who's getting tips?

N Wisemiller: I'll try to give you an answer.

S Behm: In restaurant or hotel, you can raise the price you charge. The average noon meal is \$7-\$8 now. Years ago it was \$4.

N Wisemiller: Costs going up for electricity, food, liquor, freight. The costs are going to go up again if the minimum wage goes up.

S Behm: The minimum at \$5.15, have no recourse, they can ask for more, they can't get it.

N Wisemiller: I don't know, I know from the employer side, what are we going to do?

S Klein: Example is a \$7.25 buffet. People stop coming in because you raised it from \$7 - \$7.25. People will spend \$8 on a buffet in a large city, but in small cities they won't. There is a struggle, but try to maintain a low price to keep the folks coming in. Different mindset.

S Heitkamp: Did NDHA last legislative session support to get more money per diem?

N Wisemiller: Yes

S Heitkamp: Did that pass? Are you asking again?

N Wisemiller: Yes

S Heitkamp: Why is it ok for you to make more, and not your workers?

N Wisemiller: I don't believe that is the problem.

S Heitkamp: Where did the money go, Nicki?

N Wisemiller: Expenses

S Wanzek: I don't think there is anybody here that would disagree that minimum wage is not a wage that can afford a standard of living, where they can take care of their family. I but the market, in my workforce there is not one making less than \$10 an hour, plus incentive-type bonuses where they can make as much as \$5 more an hour if the business makes money. I started 2 different businesses and haven't taken one dollar out the first three years, to make sure that business survives and now that it's surviving and starting to turn around and prosper, how far do we go before we kill off incentives to invest because it's too costly?

Daycare example, if you raise the rate in the daycare, the daycare costs go up. Where is the balance? Small business are not wealthy where they're willing to share.

N Wisemiller: No. If I'd get a raise, that would be great, I have to make my own raise. For the employees, where are we going to get the money?

Bill Boetcher – Independent Business - In Favor

3000 members, small business owners. There is a disparity between rural and urban businesses. Our members have been polled for the raise in minimum wage and 76-83% oppose it. We feel the wage should be market-driven as opposed to government driven.

S Heitkamp: Does the National Federation of Independent Business believe there even should be a minimum wage?

B Boetcher: That question hasn't been asked. We think it should be market-driven.

S Heitkamp: Then if it is market-driven, that you don't believe there should be a minimum wage, that the market would then drive that whatever that salary would be. So, personally, do you believe there should be a minimum wage?

B Boetcher: Yes I do, but not imposed by the government.

S Heitkamp: Then there would be no minimum wage, right?

B Boetcher: Yes, but driven by the market.

S Heitkamp: If the market derived a minimum wage, it would be \$5.15 or higher than \$5.15 if we never had the federal government interact. Would you want that higher or lower than \$5.15?

B Boetcher: Can't speak concerning that issue.

OPPOSITION? NEUTRAL?

Ken Purdy – ND HRHS – *Prepared the fiscal note*

We queried the payroll and number of employees below the projected minimum wage and projected it forward at the increased minimums. It affected very few normal, temporary employees, none of the career-type classified service employees. Less than 20 "normal temps" there was more impact in the patient workers at the state hospital & developmental center where there are some exceptions to minimum wage. Temporary exemptions that are allowed for a period of time. Had a bigger impact on work study students.

S Potter: Fiscal note, was as that before or after the \$75 min raise for every state employee that we passed in the Senate.

K Purdy: Disregarding that.

S Potter: Assuming that every state worker gets a raise of \$75 per month with the fiscal note on this would come down?

K Purdy: The language in that bill, I believe refers to the regular permanent employees.

S Klein: Work study and part-time temporary employees make the difference.

K Purdy: Yes.

S Wanzek: You said it didn't affect any career-type positions?

K Purdy: None of our classified career service regular employees.

S Wanzek: Then apparently the market has set limits, currently.

K Purdy: I wouldn't argue that point.

S Heitkamp: Question, does the legislature dictate? This legislative session the governor's proposal has a floor and last legislative session we had an increase, it wasn't market-driven, it was legislative driven.

K Purdy: Yes, and I hope it was legislative driven in response in our analysis of the market, too.

Q?

CLOSE

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. **SB 2122 B**

Senate Industry, Business and Labor Committee

Check here for Conference Committee

Hearing Date: **February 12, 2007**

Recorder Job Number: **3401 6:58m**

Committee Clerk Signature



Minimum Wage:

Motion for DO NOT PASS – S Wanzek

2ND – S Hacker

Roll for DO NOT PASS ON SB 2122 – 4-2-1 Passed (nays Heitkamp & Potter)

Carrier – S Hacker

FISCAL NOTE

Requested by Legislative Council

01/08/2007

REVISION

Bill/Resolution No.: SB 2122

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$89,464	\$426,181	\$194,296	\$1,576,818
Appropriations	\$0	\$0	\$89,464	\$15,128	\$194,296	\$61,581

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2A. Bill and fiscal impact summary: *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

B. Fiscal impact sections: *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

N/A

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

Statewide change, including Higher Education.

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

Statewide change.

Name:	Jill Schafer	Agency:	OMB
Phone Number:	328-1530	Date Prepared:	01/05/2007

FISCAL NOTE
Requested by Legislative Council
01/02/2007

Bill/Resolution No.: SB 2122

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$89,464	\$426,181	\$194,296	\$1,576,818	\$194,296	\$1,576,818
Appropriations	\$89,464	\$15,128	\$194,296	\$61,581	\$194,296	\$61,581

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

B. Fiscal impact sections: *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

N/A

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

Statewide change, including Higher Education.

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

Statewide change.

Name:	Jill Schafer	Agency:	OMB
Phone Number:	328-1530	Date Prepared:	01/05/2007

Date: 2-12-07.

Roll Call Vote: 1

2007 SENATE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 2122

Senate INDUSTRY BUSINESS & LABOR Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken DO NOT PASS

Motion Made By Wanzek Seconded By Hacker

Senators	Yes	No	Senators	Yes	No
Chairman Klein, Jerry	✓		Senator Behm, Arthur	NP	
Senator Hacker, Nick VC	✓		Senator Heitkamp, Joel		✓
Senator Andrist, John	✓		Senator Potter, Tracy		✓
Senator Wanzek, Terry	✓				

Total Yes 4 No 2

Absent 1

Floor Assignment Hacker

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
February 12, 2007 4:05 p.m.

Module No: SR-29-2950
Carrier: Hacker
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2122: Industry, Business and Labor Committee (Sen. Klein, Chairman) recommends DO NOT PASS (4 YEAS, 2 NAYS, 1 ABSENT AND NOT VOTING). SB 2122 was placed on the Eleventh order on the calendar.

2007 TESTIMONY

SB 2122

Testimony for SB 2122, Minimum Wage
IBL Committee
February 5, 2007

Chairman Klein and members of the Industry Business and Labor Committee, I am Tim Mathern, Senator from District 11 in Fargo.

SB 2122 is a straight forward bill which I prefiled in December. Passage of the bill would increase the minimum wage in North Dakota in an orderly process that would accommodate the needs of small business in North Dakota. The bill would increase the minimum wage 70 cents per year over the next three years with a wage of \$7.25 being in place on June 1, 2009. Congress and the President have not been able to get consensus on an increase of the minimum wage since the last increase in 1997. Our State can take a leadership role in getting this done, we do not need to be followers in such an important public policy. Minnesota and Montana already have a minimum wage of \$6.15 in place. We are telling our young people that they can get a dollar more an hour just by moving across the state line, this is not a positive message to send when we need all the population and workers we can get for an expanding North Dakota economy.

The bill changes no powers of the Labor Commissioner and permits the Commissioner to make decisions about differing wage categories of smaller sectors.

Mr. Chairman and members of the Committee, an overwhelming majority of Americans support an increase in the minimum wage;

- A January 2006 poll from the Pew Research Center found that 81 percent of respondents thought that increasing the minimum wage was an important priority.
- A November 2005 Gallup Poll found that 83 percent of respondents supported legislation to increase the federal minimum wage.
- A January 2002 poll by Lake Snell Perry & Associates for the Ms. Foundation found that 77 percent of likely voters surveyed support raising the minimum wage from \$5.15 to \$8 per hour. Some 79 percent of likely voters supported regular increases in the minimum wage to address the effect of inflation on the real value of the minimum wage.

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▪ Already back in 2001 a survey conducted by National Public Radio, the Kaiser Family Foundation and Harvard University's Kennedy School of Government found that 85 percent of Americans support raising the minimum wage.

▪ I refer you to the attached color folder page three, 62% of North Dakotans say that when they cast their vote they think about how well a candidate would help those struggling to make ends meet.

The North Dakota minimum wage of \$5.15 is at its lowest level in inflation adjusted terms since 1955. If today's minimum wage had the same value as in 1968 when I graduated from high school it would be \$7.74, almost \$3 dollars more than today's level.

A full-time worker making the minimum wage makes \$10,700 a year - \$5,000 below the poverty line for a family of three. Note the attached chart marked "A". See the wide gap between the minimum wage and the poverty level especially since 1997, this gets right down to children eating less or charity programs taking over. When this happens we are just shifting costs to government and/or destroying self esteem.

Increasing the minimum wage is the least we can do to share the positive economic climate we have experienced in North Dakota with our lowest paid workers. The best social program for a family is a job that puts food on the table and pays the rent.

According to the nonpartisan Economic Policy Institute, raising the minimum wage in North Dakota to \$7.25 would benefit over 21,000 employees in our state. And despite common misperceptions, this proposal would help many more people than just teenagers who work part time jobs. Even data from the conservative Heritage Foundation shows that over 37 percent of minimum wage earners are heads of their households and another 17 percent are single, adult workers.

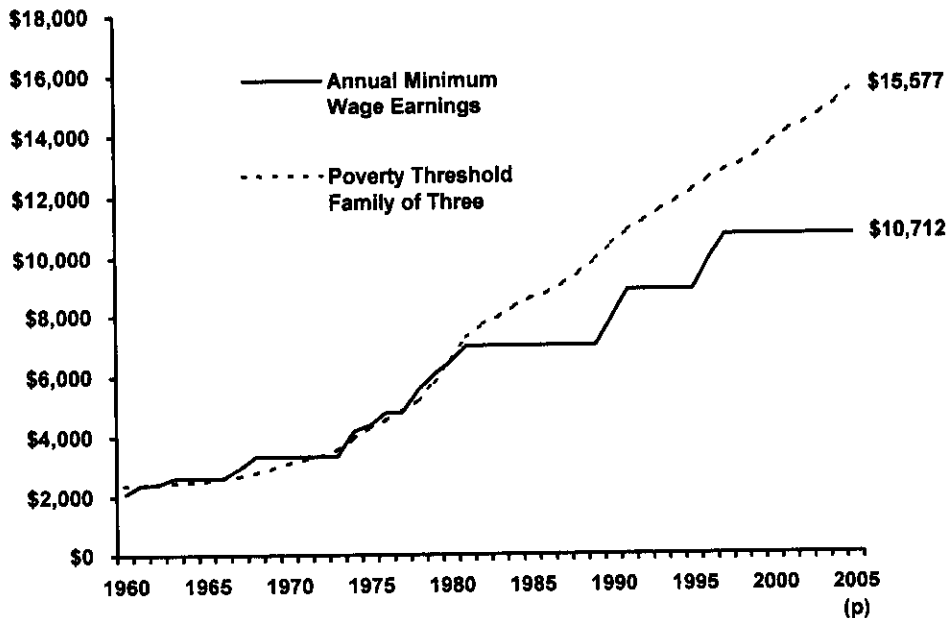
I believe all people have worth and we express this belief by all having food, shelter, health care, education and a decent paying job to make this possible. Chairman Klein, and fellow Senators I ask for a do pass on SB 2122. There are others here to testify but I would be willing to answer your questions

Thank you.

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Current Dollars

Poverty and the Minimum Wage, 1960-2005



A full-time, year-round minimum wage worker in 2005 earned only \$10,712, \$4,865 less than the \$15,577 needed to lift a family of three out of poverty.

Note: Annual Minimum Wage Earnings is calculated by assuming a person worked 40 hours a week for 52 weeks.

(p) Preliminary. The poverty threshold for 2005 is a preliminary estimate from the U.S. Census Bureau. The final 2005 poverty threshold estimate will be available from the Census Bureau later this year.

Sources: U.S. Census Bureau, *Preliminary Estimate of Weighted Average Poverty Thresholds for 2005*, January 19, 2006; U.S. Census Bureau, *Table 1. Weighted Average Poverty Thresholds for Families of Specified Size: 1959-2004*; U.S. Department of Labor, *History of Federal Minimum Wage Rates Under the Fair Labor Standards Act, 1938-1996*.

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JOHN RISCH
North Dakota Legislative Director

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transportation
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**Testimony of John Risch
Before the Senate Industry, Business & Labor Committee
In Support of SB 2122
February 5, 2007**

Mr. Chairman and members of the committee, my name is John Risch. I am the elected North Dakota legislative director of the United Transportation Union. The UTU is the largest rail labor union in North America. Our membership includes conductors, engineers, switchmen, trainmen, and yardmasters.

We support this bill because a job should help you out of poverty, not keep you in it, and this bill is a step in the right direction.

I have served as Wage Conference Chairman under both a Republican and a Democratic labor commissioner. The minimum wage has a history of bipartisan support.

In 1990 an increase was passed by a Democratic Congress and signed by President Bush, Sr. In 1996 an increase was passed by a Republican Congress and signed by President Clinton. President Bush has now committed to sign the bill passed by a Democratic Congress.

This being said, we need to take action here in North Dakota in a bipartisan manner because our wage provisions have broader coverage. The federal minimum wage covers only businesses with less than \$500,000 in revenues and does not cover farm workers, amusement park employees, automobile and implement clerks, taxi drivers, or theater workers.

The federal minimum wage, first enacted in 1938, was meant to put a firm floor under workers and their families, strengthen the depressed economy by increasing consumer purchasing power, create new jobs to meet rising demand and stop a "race to the bottom" of employers in regards to wages.

Those original goals were great, but inflation is constantly eroding the real value of the minimum wage. The minimum wage has not been increased in ten years, losing 17 percent of its purchasing power since 1997, and is at its lowest rate in real (inflation-adjusted) dollars since 1955, which is why any of the proposals before this legislature need to automatically adjust for inflation.

