

# HCR 3032

Good Morning Chairperson Warrey and Members of the House Industry Business and Labor Committee.

I am Representative LaurieBeth Hager of District 21 is in the middle portion of Fargo--north and south of Main Ave to 13<sup>th</sup> Ave S from the Red River to a small corner of West Fargo. My district includes the Historic Hawthorne Neighborhood, Jefferson, Madison or Golden Ridge Neighborhood, and almost 5000 people living in apartments and 3 mobile home parks.

I stand before you today to offer HCR 3032, a resolution for a general election ballot measure to raise the state of North Dakota's minimum wage and provide a yearly cost of living increases in subsequent years. I am here today on behalf of the 1000s of workers in our state who are not earning adequate wages. I believe that business owners in our state want to provide their workers with wages that will not keep their employees in economically disadvantaged or poverty conditions. HCR 3032 provides a method to update the state's minimum wage through a referendum. Several other states have allowed their citizens vote to establish a state minimum wage above the federal minimum wage. Establishing a state minimum wage though this process will allow for our legislative input/directive to update minimum wages for employees in our state.

HCR 3032 proposes to increase the state's minimum wage from the federal standard of \$7.25 to \$9.25 per hour. It also incorporates a yearly cost of living increase. While an increase to \$9.25 would still be lower than a recommended living wage of \$15.00, I believe the proposed \$2.00 increase will be respectful to business owners and to their employees. It will be a start to keeping people from living in poverty.

Increasing the minimum wage in our state is long overdue. The minimum wage was last increased at the federal level in 2009. That is 16 years ago! So any increase above the federal minimum wage is long overdue. During those 16 years, many other states have implemented a higher minimum wage for the employees in their state. North Dakota has not.

Currently ND employees earning the minimum wage are paid \$7.25 per hour which is the Federal Minimum wage. This federal minimum wage was established in 2009—16 years ago. 16 years without even a cost of living increase. This legislation would resolve financial problems for individuals who earn minimum wage some of whom may need to rely on other systems for support.

Why should minimum wage be increased? The primary reason is increasing minimum wage is a strategic method for reducing poverty by decreasing persons living in poverty.

Who earns minimum wage? Often it is entry level jobs but also it is jobs held by elderly who have returned to the workforce after retirement or due to economic factors such as loss of a spouse resulting decreased social security benefits. Some people do not have transportation or have other issues that decrease their employment options.

### **The rationale for increasing minimum wage in ND is threefold:**

First, remaining competitive with adjacent states.

Second, providing ND residents employed in minimum wage jobs with an adequate income to remain in ND.

Third, determining ND minimum wage at the state level rather than basing it on federal standards of minimum wage.

First, raising the minimum wages to \$9.25 will enable ND to be competitive with our border or adjacent states. Montana, Minnesota and South Dakota have raised the minimum wage for hourly workers in their state. HCR 3032 would make ND wages competitive and on par with these and other states across the nation.

In the USA, as of January 1, 2021

30 states have minimum wage above \$7.25

25 states have a minimum wage at or above \$10.00

Focusing on the 3 states bordering ND, their residents earn minimum hourly wages of:

	2025
Minnesota	\$11.13
South Dakota	\$11.20
Montana	\$10.55

All three of these states provide for a yearly cost of living increase. If one were to average the minimum wage of MT, MN & SD it is \$10.99 per hour. In ND our minimum wage is \$7.25. The wage proposed \$9.25 per hour in this bill is \$2.00 higher than the federal minimum wage but it is lower than that average wage in the 3 states adjacent to ND.

Second, what is the yearly income of a person earning minimum wage as compared to other wage levels?

I have provided a chart that shows various hourly wage levels converted to annual incomes at the top. At the bottom are the Federal Poverty Guidelines as used for the Federal Free and Reduced Lunch Program.

An employee working 40 hours per week at the \$7.25 minimum wage would earn \$ 15,080 per year. In 2025, this is BELOW the federal poverty level of \$15,650 for a single person. If that minimum wage earner is providing for a family of 4, his or her earnings are well below the poverty level of \$32,150.

By increasing our state's minimum wage \$9.25 per hour the employee now would **earn \$19,240** annually by working 40 hrs per week for 52 weeks per year — still below the \$32,150 poverty level for a family of 4 and just above the poverty level for a 2 person family.

Furthermore The cost of living has obviously increased in the past 15 years while the \$7.25 federal/state minimum wages have NOT increased. This has created the situation that persons earning minimum wage cannot provide or budget for even ordinary expenses: housing, food, healthcare, childcare, etc. Cost of Living or Inflation Increase since 2009 is 20.6% cumulatively.

The buying power calculation indicates that what \$7.25 could purchase in 2010 is

The cost of Living or Inflation since 2009 is 47.11%

Another way of looking at buying power is \$1 in 2009 is \$1.47 now or \$10.00 then is 14.70 now

Third, increasing the minimum wage to \$9.25 should stimulate our local ND economy while reducing poverty. Keeping workers in ND or at small businesses rather than national chain stores that have already raised minimum wages above the \$7.25 federal minimum wage -- Target and Walmart are two such examples.

Who earns minimum wage? Often it is entry level jobs but also it is jobs held by elderly who have returned to the workforce after retirement or receiving merely social security benefits. Persons with disabilities, formerly incarcerated persons, persons with a poor job history.

In the past 2 sessions, I have brought minimum wage bills to the IBL committee and to the House Chamber. This year I am presenting a resolution so the people of our state can decide whether or not to increasing the minimum wage in North Dakota. Citizens in several other states across America have had the opportunity to vote whether to increase minimum wage.

As indicated in this resolution, HCR 3032, "Every employer shall pay to each of the employer's employees wages at a rate of not less than \$9.25 per hour. Beginning January 1, 2027 and on January 1<sup>st</sup> each year thereafter, the minimum wage will be adjusted by the cost of living increase."

In ND's most recent general election, the 2024 election, there were 3 referred constitutional measures on the ballot:

Measure 1 Revising the names used for these institutions: Devils Lake's School for the Deaf and Dumb renamed the State School for the Deaf and Hard of Hearing. The State Hospital for the Insane in Jamestown renamed to the State Hospital for the Care of Individuals with Mental Illness. Grafton's Institution for the Feeble Minded to the Facility for Individuals with Developmental Disabilities.

Measure 2 Specified rules and procedures for initiated measures

Measure 3 Revised the procedures of legacy fund transfers.

Now it is time for the voters to act upon the state's minimum wage requirement. HCR 3032 is a measure to be placed on the 2026 general election ballot. It will allow your constituents, the citizens across ND to make the decision. Even if you personally agree or disagree, by passing this resolution, the voters will have their voice heard as a way to support workers in our state.

In conclusion, often local control is the philosophy or justification behind many of the bill concepts we hear in our legislature. The ultimate local control is the voters. Let's provide the opportunity for our voters to determine our state's minimum wage for the residents of North Dakota. As I stated earlier I believe that business owners in our state want to provide their workers with wages that will not keep their employees in economically disadvantaged or poverty conditions. HCR 3032 seeks to balance the needs of wage earners AND wage providers in our state. In 2026, let's put the measure on the ballot for our citizens to determine if ND's minimum wage should be higher than the federal minimum wage.

Often I am asked or told that the free market demand has increased everybody's wages in our state and that nobody in North Dakota earns just the minimum wage. If even ONE person in our state is receiving only \$7.25 per hour that is one person living in poverty whose life can be improved.

Thank you Chairperson Warrey. I stand before the IBL committee to answer questions.