

**2021 HOUSE INDUSTRY, BUSINESS AND LABOR**

**HB 1341**

# 2021 HOUSE STANDING COMMITTEE MINUTES

## Industry, Business and Labor Committee Room JW327C, State Capitol

HB 1341  
2/1/2021

<b>State minimum wage rate.</b>
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(9:00) Chairman Lefor calls the hearing on HB 1341.

Representatives	Attendance
Chairman Lefor	P
Vice Chairman Keiser	P
Rep Hagert	P
Rep Jim Kasper	P
Rep Scott Louser	P
Rep Nehring	P
Rep O'Brien	P
Rep Ostlie	P
Rep Ruby	P
Rep Schauer	P
Rep Stemen	P
Rep Thomas	P
Rep Adams	P
Rep P Anderson	P

### Discussion Topics:

- Minimum wage.

Rep Hager~District 21. Introduced the bill. Attachment #4324.

Landis Larson~ND AFL\_CIO. Attachment #4391.

Zach Raknerud~Minot Resident. Attachment #4416

Mike Rud~ND Petroleum & Retail Association. Testified in opposition.

Matt Gardner~Director of Government Affairs-Greater ND Chamber. Attachment # 4338.

Shane Goettle~Behalf of the National Federation of Independent Business. Attachment #4512.

Erica Thunder~Commissioner-ND Dept of Labor & Human Rights. Attachment #4418.

Chairman Lefor closes the hearing. The bill will be held.

**Additional written testimony:** Attachment #4462.

(9:53) End time.

*Ellen LeTang, Committee Clerk*

## HB 1341

Thank you Chairperson Lefor and Members of the Industry Business and Labor Committee.

I am Representative LaurieBeth Hager of District 21 in the Downtown and Central area of Fargo – between 12<sup>th</sup> Ave N NDSU and to 13<sup>th</sup> Ave S the street that goes to West Acres. My district includes 2 trailer parks, the Kennedy, Madison or Golden Ridge Neighborhood, the Historic Hawthorne Neighborhood, and almost 4000 people living in off campus apartments or in the downtown area.

I stand before you today to offer HB 1341, a bill to raise the state of North Dakota's minimum wage and provide a yearly increase in subsequent years. I am here today on behalf of the 1000s of workers in our state who are not earning adequate wages. HB 1341 provides a simple method for our legislature to update minimum wages for employees in our state. HB 1341 increases the state's minimum wage from \$7.25 to \$9 per hour and incorporates a yearly graduated increase. I believe this proposal is respectful to business owners and to their employees and is long overdue. The minimum wage was last increased at the federal level in 2009.

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—11 years ago. 11 years without even a cost of living increase. This legislation would resolve problems for individuals who earn minimum wage some of whom may need to rely on other systems for support.

The rationale for this bill is threefold:

First remaining competitive with adjacent states. Second providing ND residents employed in minimum wage jobs with 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.

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.

First, raising the minimum wages to \$9 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. HB 1341 would make ND wages competitive and on par with these and other states across the nation.

In the USA, as of January 1, 2021

29 states have minimum wage above \$7.25

15 states have a minimum wage of \$10.00

I have provided a chart/map indicating the minimum wages across the USA

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

Minnesota    \$10.08

South Dakota    \$9.45

Montana        \$8.75

If one were to average the minimum wage of MT, MN & SD it is \$9.40 per hour. In ND our minimum wage is \$7.25. The wage proposed \$9 per hour in this bill is just a bit lower than that average.

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. This is just slightly above the federal poverty level of \$12,490 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 \$25,750.

By increasing our state's minimum wage \$9 per hour the employee would earn \$18,720 annually by working 40 hrs per week—still below the \$25,750 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 11 years while the \$7.25 federal/state minimum wages have NOT increased. This has created the situation that persons earning minimum wage can not 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 now \$5.97 in 2020 \$5.97

The cost of Living or Inflation since 2009 is 20.5%

Another way of looking at buying power is \$1 in 2009 is \$1.21 now or \$10.00 then is 12.10 now

Third, increasing the minimum wage to \$9 may stimulate our 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.

Finally, often local control is the philosophy or justification behind many of the bill concepts we hear in our legislature. Let's exert some state control and determine our state's minimum wage for the residents of North Dakota and a method that is respectful of business owners across the state. 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.

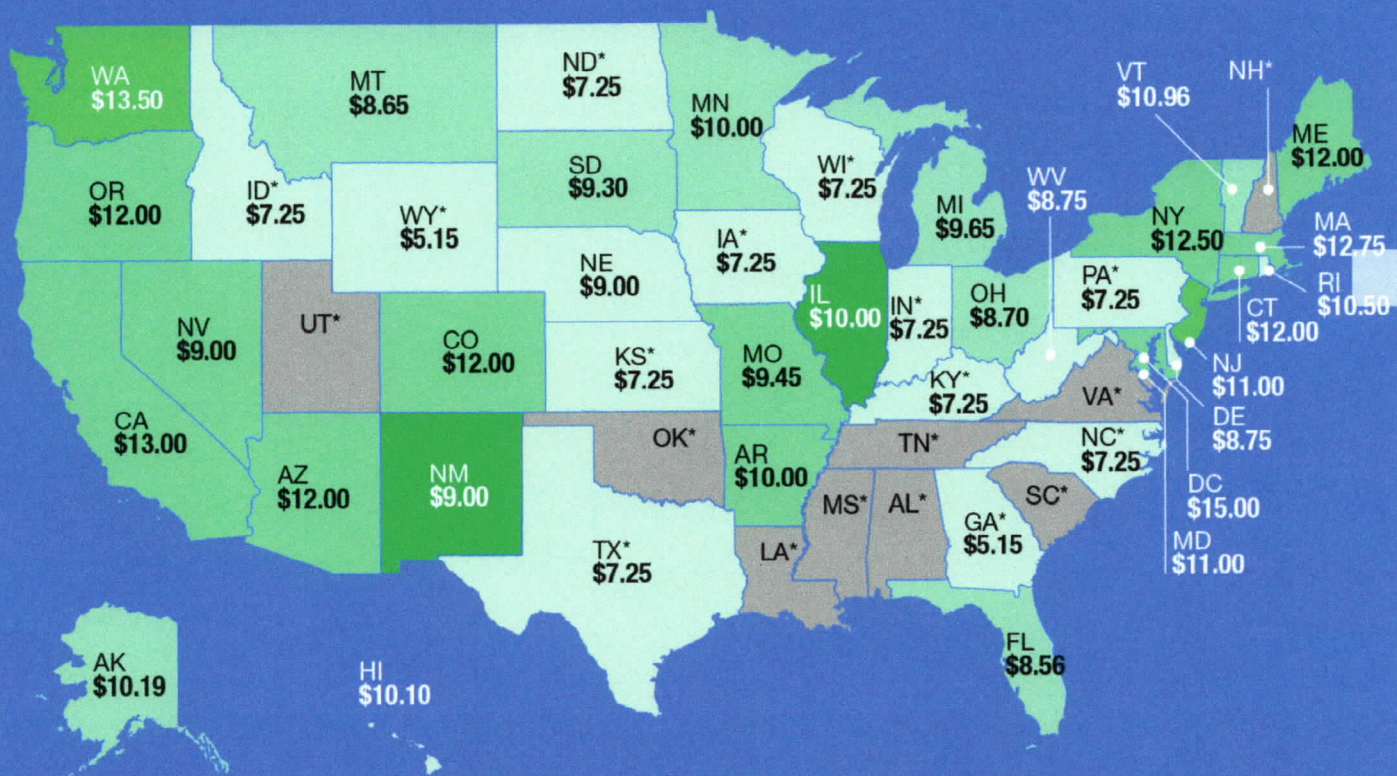
I stand before the IBL committee to answer questions.



# U.S. MINIMUM WAGE INCREASES IN 2020

Largest percentage increases: Illinois (21.21%), New Mexico (20%), Washington state (12.5%), New Jersey (10%).

■ ABOVE 15%   
 ■ 10%-15%   
 ■ 5%-9.9%   
 ■ BELOW 5%   
 ■ NO CHANGE   
 ■ NO STATE MINIMUM WAGE



SOURCE: U.S. DEPARTMENT OF LABOR, STATE LABOR DEPARTMENTS  
 \*FEDERAL MINIMUM WAGE IS \$7.25 DATA AS OF 12/13/19

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finance



# Hourly Wage Chart

Convert your hourly wage to a yearly salary based on the number of hours you work per week.

Hours per Week Hourly Rate	30	35	40	45	50	55	60	65	70
\$6/hr	\$9,360	\$10,920	\$12,480	\$14,040	\$15,600	\$17,160	\$18,720	\$20,280	\$21,840
\$7/hr	\$10,920	\$12,740	\$14,560	\$16,380	\$18,200	\$20,020	\$21,840	\$23,660	\$25,480
\$8/hr	\$12,480	\$14,560	\$16,640	\$18,720	\$20,800	\$22,880	\$24,960	\$27,040	\$29,120
\$9/hr	\$14,040	\$16,380	\$18,720	\$21,060	\$23,400	\$25,740	\$28,080	\$30,420	\$32,760
\$10/hr	\$15,600	\$18,200	\$20,800	\$23,400	\$26,000	\$28,600	\$31,200	\$33,800	\$36,400
\$11/hr	\$17,160	\$20,020	\$22,880	\$25,740	\$28,600	\$31,460	\$34,320	\$37,180	\$40,040
\$12/hr	\$18,720	\$21,840	\$24,960	\$28,080	\$31,200	\$34,320	\$37,440	\$40,560	\$43,680
\$13/hr	\$20,280	\$23,660	\$27,040	\$30,420	\$33,800	\$37,180	\$40,560	\$43,940	\$47,320
\$14/hr	\$21,840	\$25,480	\$29,120	\$32,760	\$36,400	\$40,040	\$43,680	\$47,320	\$50,960
\$15/hr	\$23,400	\$27,300	\$31,200	\$35,100	\$39,000	\$42,900	\$46,800	\$50,700	\$54,600

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## INCOME ELIGIBILITY GUIDELINES

Effective from July 1, 2019 to June 30, 2020

HOUSEHOLD SIZE	FEDERAL POVERTY GUIDELINES	REDUCED PRICE MEALS - 185 %					FREE MEALS - 130 %				
	ANNUAL	ANNUAL	MONTHLY	TWICE PER MONTH	EVERY TWO WEEKS	WEEKLY	ANNUAL	MONTHLY	TWICE PER MONTH	EVERY TWO WEEKS	WEEKLY
48 CONTIGUOUS STATES, DISTRICT OF COLUMBIA, GUAM, AND TERRITORIES											
1 .....	12,490	23,107	1,926	963	889	445	16,237	1,354	677	625	313
2 .....	16,910	31,284	2,607	1,304	1,204	602	21,983	1,832	916	846	423
3 .....	21,330	39,461	3,289	1,645	1,518	759	27,729	2,311	1,156	1,067	534
4 .....	25,750	47,638	3,970	1,985	1,833	917	33,475	2,790	1,395	1,288	644
5 .....	30,170	55,815	4,652	2,326	2,147	1,074	39,221	3,269	1,635	1,509	755
6 .....	34,590	63,992	5,333	2,667	2,462	1,231	44,967	3,748	1,874	1,730	865
7 .....	39,010	72,169	6,015	3,008	2,776	1,388	50,713	4,227	2,114	1,951	976
8 .....	43,430	80,346	6,696	3,348	3,091	1,546	56,459	4,705	2,353	2,172	1,086
For each add'l family member, add	4,420	8,177	682	341	315	158	5,746	479	240	221	111



# Poverty in North Dakota

## What is the poverty rate in North Dakota?

The poverty rate in North Dakota is 11.0%. One out of every 9.1 residents of North Dakota lives in poverty.

## How many people in North Dakota live in poverty?

79,374 of 719,722 residents reported income levels below the poverty line in the last year.

## How does the Poverty Rate in North Dakota compare to the national average?

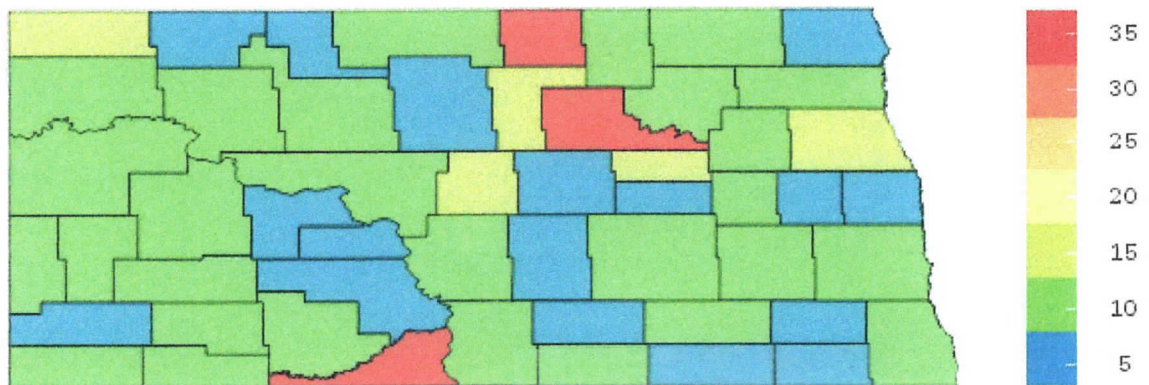
North Dakota ranks 9th in Poverty Rate at 11.0% ([poverty rankings by state](#)). The Poverty Rate of North Dakota is significantly lower than the national average of 14.6%.

f FACEBOOK

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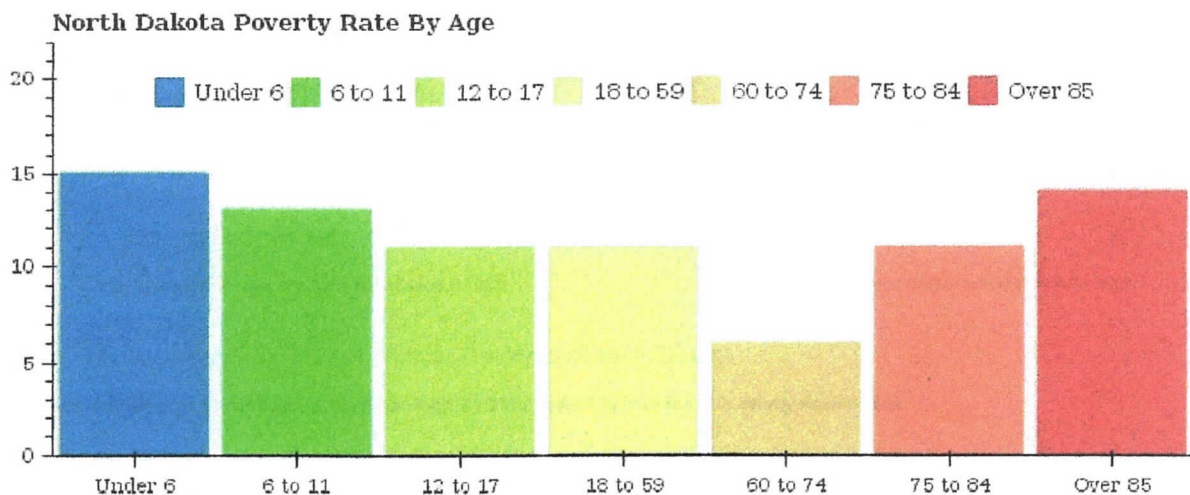
## 📍 North Dakota Poverty Rate County Map

North Dakota Percent of Population Below Poverty Rate By County



## 📍 North Dakota Poverty Rate By Age

What's the Poverty Rate in North Dakota By Age?



Breakdown of North Dakota Poverty Rate By Age

- **Children Under 6** in North Dakota have a Poverty Rate of **14.2%**.
- **Children 6 to 11 Years Old** in North Dakota have a Poverty Rate of **12.6%**.
- **Adolescents 12 to 17 Years Old** in North Dakota have a Poverty Rate of **10.1%**.
- **Adults 18 to 59 Years Old** in North Dakota have a Poverty Rate of **11.5%**.
- **Adults 60 to 74 Years Old** in North Dakota have a Poverty Rate of **6.6%**.
- **75 to 84 Years Old** in North Dakota have a Poverty Rate of **10.0%**.
- **Over 85 Years Old** in North Dakota have a Poverty Rate of **14.9%**.



**North Dakota AFL-CIO**

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**Testimony of Landis Larson, ND AFL-CIO President  
In Support to HB 1341  
February 1, 2021**

Chairperson Lefor and members of the House Industry, Business and Labor Committee:

My name is Landis Larson, President of the North Dakota AFL-CIO. The North Dakota AFL-CIO is the federation of labor unions in North Dakota, representing the interests of all working people in our state.

I am testifying on behalf of the North Dakota AFL-CIO in support of House Bill 1341.

According to the North Dakota Labor Market Information Cost of Living Estimator: a single North Dakota worker needs to make between \$9.51 to \$14.46, depending on location, to meet basic needs of life; that single worker raising a child needs to make between \$17.82 to \$25.60; and two adults working full time raising two children must make at least \$29.38 per hour of combined income, or at least \$15 an hour each in order to make ends meet anywhere in North Dakota.

Clearly, anyone making the minimum wage in North Dakota, no matter how many people are working in the household, or how many children they have, will not be able to meet basic needs on income alone. While we know that most employers in North Dakota pay above minimum wage, many do not, and many are paying less than what is needed to meet basic needs. We know that raising the minimum wage will also have an effect of raising wages for those who make more than minimum wages as well.

If we look at the four lowest paid occupation areas in North Dakota, according to the Occupational Employment Statistics, we see that mean wage for food preparation is \$12.76 per hour, \$14.45 for personal care services, \$15.83 Building and Grounds Cleaning and Maintenance, 16.17 for Healthcare Support. This is over 60,000 North Dakota workers that would see primary or secondary increase in their take home pay, allowing them to more fully participate in our economy and provide for their families.

I recommend a "Do Pass" recommendation on House Bill 1341.

Respectfully Submitted,  
Landis Larson  
North Dakota AFL-CIO President

My name is Zach Raknerud, I am a resident of Minot, North Dakota. I am testifying today in support of HB1341. I am testifying today because it is important that we recognize the importance that anyone who works in this nation deserves to have a decent standard of living. The minimum wage has not been adjusted in nearly 13 years. Even in a state as rural as ours, a minimum wage of \$7.25 an hour is simply not enough.

It is important that we ensure that the dignity of work is preserved in this nation. Anyone who commits their time and services deserves to have a wage that provides dignity. We cannot lose sight of that. I urge this committee to take this issue seriously. It may take some work to reach a final solution, but updates to the minimum wage need to be made.

There must be safeguards put in place to ensure that working North Dakotans are receiving adequate compensation for their work. This bill provides a good first step to addressing such an important issue. We cannot sit back as large profitable corporations are paying North Dakotans too little to survive while asking taxpayers to pick up the tab in public assistance.

We can take steps to ensure that a minimum wage protects those who need it while providing nuance for specific situations. Minimum wage law does not have to be a blanket covering everything. There are exemptions laid out in laws today for small business, those can continue to exist. But, it is important that we understand that there are large businesses taking advantage of the low minimum wage today.

I speak here today to urge this committee to take the necessary steps to ensure that we protect workers in North Dakota. This issue is tied directly to the fundamental rights each of us are entitled to. Economic strains are linked to a plethora of societal consequences. For each dollar that the minimum wage is raised from \$7.25, there is an estimated 2% decrease in infant mortality, as one example.

This issue is tied to so many others and is key to building a better future for working North Dakotans. I thank the committee for their time and humbly request their support for HB1341.



**Greater North Dakota Chamber  
House Industry, Business, and Labor Committee  
HB 1341  
February 2, 2021**

Mr. Chairman and members of the committee, my name is Matt Gardner, Director of Government Affairs for the Greater North Dakota Chamber (GNDC). GNDC is the largest statewide business advocacy organization in the state. GNDC stands in opposition of HB 1341.

An increase in the minimum wage does not automatically mean a benefit to the worker or economy. Whenever the government steps in to regulate how a business operates there are ripple effects throughout the entire business community.

In the case of a mandated wage increase this can be seen in fewer jobs, or even job reductions as a business must evaluate the cost increase and determine how they will pay the difference as the expense has to be offset somewhere on the balance sheet. Without an increase in demand for the products or services offered by the business, it must reduce costs to maintain margins that are acceptable for the business to stay viable.

It is not acceptable to think that a business can raise its prices just to offset this new increase in expense when there are numerous other factors that a business must consider when determining pricing. Even if we would think that raising the prices to offset this expense would be acceptable to the marketplace then we would also have to agree that it would not have the intended affect as the workers wage increase would be lost to the increase in costs to the products or services that they need.

For a business to find success it must pay its employees a competitive wage to maintain the skilled, motivated and experienced workforce. GNDC believes that the market should be allowed to determine the wages paid. A worker who has developed the skills and training necessary to perform certain job functions can and should be able to negotiate for a higher wage due to the increase in value that they bring to the job and business. A business can and will adjust the wages of employees to maintain the quality workforce necessary to operate in a competitive marketplace.



Any increase in the minimum wage can also limit opportunities for those in entry level positions or those with limited skills. It is through the practice of giving an employee an opportunity to learn on the job and increase their knowledge and skills that they are then given higher compensation. By arbitrarily setting an entry wage for businesses to pay they then have to determine if they can continue to offer the opportunity to those workers, thus limiting the possibilities of jobs for individuals. The increase in the minimum wage again can have an adverse effect on those that it is intended to help.

GNDC has continuously supported efforts to improve the workforce, business environment and create opportunities for all in North Dakota. It is through the expansion of opportunity, education and business diversification that GNDC believes all will benefit in better wages, margins and growth. It is with this in mind that GNDC respectfully requests a Do Not Pass on HB 1341. I would stand for any questions that the committee may have.



House Industry Business and Labor Committee

02/01/21

HB 1341

Chairman Lefor and committee members, my name is Shane Goettle and I am speaking today on behalf of the National Federation of Independent Business (NFIB). NFIB is a non-profit, non-partisan organization and is the nation's largest small business advocacy group.

In North Dakota we represent more than 2,000 small businesses. Our average member has 10 employees and gross sales of approximately \$500,000 per year.

Small business owners know that more than doubling the minimum wage will lead to increased labor costs and tough choices. They must either increase the cost of their product or service - which in many cases is not feasible - or reduce labor costs elsewhere. The reduction in labor costs would be achieved through reduced jobs, reduced hours, or reduced benefits. None of these changes benefit employees.

On behalf of our membership in North Dakota, we ask that you give a Do-Not-Pass recommendation to House Bill 1341.



# Labor and Human Rights

## **In Re: House Bill 1341**

Industry, Business and Labor Committee

Chairman Lefor

Erica Thunder, Commissioner, North Dakota Department of Labor and Human Rights

Neutral Testimony

02/01/2021

Chairman Lefor and members of the Industry, Business and Labor Committee,

My name is Erica Thunder, and I serve as the Commissioner for the North Dakota Department of Labor and Human Rights. I am here today to listen into the discussion and answer questions neutrally, as HB 1341's purpose is to amend and reenact section 34-06-22 of the North Dakota Century Code, relating to the state minimum wage rate. The North Dakota Department of Labor and Human Rights strictly enforces this particular area of statute in North Dakota Century Code, and for that reason, the Commissioner will stand for any questions that come of this discussion.

If the Commissioner is unable to answer a specific question today, they will promptly work to provide an answer to the Committee.

Thank you,

*Erica Thunder*

Erica Thunder, JD

Commissioner

North Dakota Department of Labor and Human Rights

Chairman Lefor and members of the Industry, Business, and Labor committee:

Thank you for your time and the opportunity to give testimony on HB 1341.

My name is Kristin Rubbelke and I am the Executive Director of the National Association of Social Workers North Dakota Chapter (NASW-ND). I am submitting written testimony regarding NASW-ND's support of HB 1341.

NASW-ND supports HB 1341 to increase the minimum wage in the state of North Dakota. North Dakota's current minimum wage is egregiously low and not conducive to creating a sustainable, healthy living environment for a low-wage workers. Bumping the minimum wage up to 15 dollars an hour will decrease poverty in North Dakota while increasing access to healthy foods, sustainable housing and other necessities that are conducive to the physical and mental wellness of North Dakota residents.

NASW Code of Ethics which asserts that "social workers should advocate for living conditions conducive to the fulfillment of basic human needs" (Code 6.01). HB 1341 will help the residents of North Dakota create stable, sustainable environments for themselves and their families.

Thank you for your attention to this written testimony. We kindly ask for your support of HB 1341.

Sincerely,



Kristin Rubbelke, LBSW, MSW  
Executive Director  
NASW-ND



# 2021 HOUSE STANDING COMMITTEE MINUTES

## Industry, Business and Labor Committee Room JW327C, State Capitol

HB 1341  
2/2/2021

<b>State minimum wage rate.</b>
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(4:14) Chairman Lefor called the hearing to order.

Representatives	Attendance
Chairman Lefor	P
Vice Chairman Keiser	P
Rep Hagert	P
Rep Jim Kasper	P
Rep Scott Louser	P
Rep Nehring	P
Rep O'Brien	P
Rep Ostlie	P
Rep Ruby	P
Rep Schauer	P
Rep Stemen	P
Rep Thomas	P
Rep Adams	P
Rep P Anderson	P

### Discussion Topics:

- Committee work.

Vice Chairman Keiser moved a Do Not Pass.

Rep Hagert second.

<b>Representatives</b>	<b>Vote</b>
Chairman Lefor	Y
Vice Chairman Keiser	Y
Rep Hagert	Y
Rep Jim Kasper	Y
Rep Scott Louser	Y
Rep Nehring	Y
Rep O'Brien	Y
Rep Ostlie	Y
Rep Ruby	Y
Rep Schauer	Y
Rep Stemen	Y
Rep Thomas	Y
Rep Adams	N
Rep P Anderson	N

Vote roll call taken Motion carried 12-2-0 & Rep Ostlie is the carrier.

(4:17) End time.

*Ellen LeTang, Committee Clerk*

**REPORT OF STANDING COMMITTEE**

**HB 1341: Industry, Business and Labor Committee (Rep. Lefor, Chairman)** recommends **DO NOT PASS** (12 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). HB 1341 was placed on the Eleventh order on the calendar.