

HB

29

<target><bill>HB 29</bill><subject>HB
29</subject><comm>HFIN26</comm></target>

ALASKA STATE LEGISLATURE

REPRESENTATIVE KURT OLSON

- Chair, Labor and Commerce
- Member: Rules, Resources, Military and Veterans Affairs

Session: January - April
State Capitol
Juneau, AK 99801-1182
Phone: 907-465-2693
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Interim: May - December
145 Main Street Loop, Ste 221
Kenai, AK 99611
Phone: 907-283-2690
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Official Business

Sponsor Statement

HB 29 - Increasing the Minimum Wage

Alaska's minimum wage has not been increased since 2002, when it rose to \$7.15 an hour. Since that time, the cost of living in the state has risen dramatically. Alaska is among the most expensive states in which to live; with a minimum wage that has remained stagnant, working Alaskans are feeling the pinch.

A minimum wage employee earns under \$15,000 a year. This is an inadequate income for a full time worker—especially in a state where the cost of living is so high. Hardworking Alaskans should be able to afford basic necessities and to provide for their families. House Bill 29 addresses this fact.

House Bill 29 sets Alaska's minimum wage at \$7.15 an hour or 50 cents above the federal minimum, whichever is higher. The bill reflects the increases in cost of living since 2003 and brings Alaska closer in line with our west coast counterparts Washington, Oregon, and California.

With the federal minimum set to increase in July 2009, I urge the legislature address Alaska's minimum wage as soon as possible. Alaska's minimum wage has not fallen below the federal level since 1959. Now is not the time to buck the trend.

I respectfully ask for your favorable consideration of this bill. If you have any questions or concerns, please do not hesitate to contact me or my staff.

Email: Representative_Kurt_Olson@legis.state.ak.us

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Sectional Summary

HB 29 - Increasing the Minimum Wage

The following is a sectional summary of HB 29 and is not an authoritative representation of the bill. For an authoritative interpretation, please refer to the bill itself.

Section 1: repeals AS 23.10.065 which establishes a minimum wage.

Section is reenacted to raise the minimum wage to \$7.15 per hour *or* 50 cents above the federal minimum wage, whichever is higher.

Section 2: provides for an effective date.

Email: Representative_Kurt_Olson@legis.state.ak.us

AMENDMENT \

OFFERED IN THE HOUSE
TO: CSHB 29(L&C)

1 Page 1, lines 7 - 9:

2 Delete "the higher of \$7.15 an hour or, for work performed on or after the effective
3 date of an actual increase of the federal minimum wage to a rate higher than \$7.15 an hour,"

4 Insert "\$7.25 an hour until December 31, 2009, and thereafter not less than"

5

6 Page 1, line 14:

7 Delete "January 1, 2010"

8 Insert "July 24, 2009"

AMENDMENT 2

OFFERED IN THE HOUSE
TO: CSHB 29(L&C)

BY REPRESENTATIVE GARA

1 Page 1, line 1, following "wage":

2 Insert "**and creating an annual adjustment to the minimum hourly wage based on**
3 **the rate of inflation**"

4

5 Page 1, lines 4 - 13:

6 Delete all material and insert:

7 "(a) Except as provided under (b) of this section and as otherwise provided for
8 in law, for work performed on or after January 1, 2010 [2003], an employer shall pay
9 to each employee wages at a rate of not less than the wage established in this
10 subsection [\$7.15 AN HOUR] for hours worked in a pay period, whether the work is
11 measured by time, piece, commission, or otherwise. An employer may not apply tips
12 or gratuities bestowed upon employees as a credit toward payment of the minimum
13 hourly wage required by this section. Tip credit as defined by the Fair Labor Standards
14 Act of 1938 as amended does not apply to the minimum wage established by this
15 section. The minimum hourly wage under this subsection is \$7.85 an hour for
16 work performed on or after January 1, 2010; however, for work performed in
17 years after December 31, 2010, the minimum hourly wage under this subsection
18 is the greater of

19 (1) \$1 more an hour than the federal minimum wage; or

20 (2) \$8.60 an hour for work performed on or after January 1, 2011,
21 and \$9.45 an hour for work performed on or after January 1, 2012; thereafter,
22 the department shall, by regulation, not later than September 30 of each calendar
23 year, adjust the minimum hourly wage established in this paragraph for inflation

1 effective for the following calendar year; the adjusted minimum hourly wage
2 shall be the most recent wage under this paragraph adjusted for 100 percent of
3 the rate of inflation based on the Consumer Price Index for all urban consumers
4 for the Anchorage metropolitan area, compiled by the Bureau of Labor Statistics,
5 United States Department of Labor; the department shall round the adjusted
6 minimum hourly wage up to the nearest one cent; the adjusted minimum hourly
7 wage shall apply to work performed beginning on January 1 through
8 December 31 of the year for which it is effective, and the first adjustment takes
9 effect January 1, 2013."

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: CSHB 29(L&C)
 (H) Publish Date: 3/12/09

Identifier (file name): HB029-DOLWD-WH-02-11-09 Dept. Affected: Labor and Workforce Development
 Title: Alaska Minimum Wage RDU: Labor Standard & Safety
 Component: Wage and Hour
 Sponsor: Representative Olson
 Requester: House Labor and Commerce Component Number: 345

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information						
		FY 2010	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
OPERATING EXPENDITURES								
Personal Services								
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
TOTAL OPERATING		0.0	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES								
-----------------------------	--	--	--	--	--	--	--	--

CHANGE IN REVENUES ()								
-------------------------------	--	--	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF								
1005 GF/Program Receipts								
1037 GF/Mental Health								
1157 Worker Safety Account								
TOTAL		0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2009) cost: None

POSITIONS

Full-time								
Part-time								
Temporary								

ANALYSIS: (Attach a separate page if necessary)

There is no anticipated financial impact to the department as a result of this legislation.

Prepared by: Grey Mitchell, Director Phone 465-4855
 Division: Labor Standard & Safety Date/Time 2/11/09 4:19 PM
 Approved by: Click Bishop, Commissioner Date 2/11/09
 Agency: Department of Labor and Workforce Development

ALASKA STATE LEGISLATURE

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Summary of Changes

Proposed Amendment to CSHB 29 (L&C) - Increasing the Minimum Wage

HB 29: sets the Alaska minimum wage at \$7.15 per hour or 50 cents higher than the federal minimum wage, whichever is higher. Effective July 1, 2009.

CSHB 29 (L&C): the wage structure remains, but the effective date is pushed back to January 1, 2010.

Proposed Amendment to CSHB 29 (L&C): spreads the increase over two phases: an increase of the current Alaska minimum wage (\$7.15) to match the federal rate (\$7.25) is effective July 24, 2009. A further increase of 50 cents per hour is effective January 1, 2010.

Email: Representative_Kurt_Olson@legis.state.ak.us

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Summary of Committee Changes HB 29 - Increasing the Minimum Wage

Page 1

Section 2: Delete effective date July 1, 2009
Add effective date January 1, 2009

Email: Representative_Kurt_Olson@legis.state.ak.us

MEMORANDUM

TO: House Labor and Commerce Committee Members

FROM: Jennifer Senette, staff to Representative Olson

DATE: March 5, 2009

RE: Occupations Tied to the Minimum Wage Formulation

During the February 23rd House Labor and Commerce meeting, Representative Coghill asked a question that I indicated I would follow up on. Representative Coghill inquired about jobs in the state with wages tied to the minimum wage formulation. In short, there are three job categories that are tied to the minimum wage formulation by statute.

As indicated at the hearing, public school bus drivers must be paid at least two times the minimum wage. A second category of workers include those employed in an executive, administrative, or professional capacity. Employees of this type must be paid at least two times the minimum wage for the first 40 hours of employment each week. Finally, prisoners who are productively employed may not receive more than 50% of the minimum wage.

Please find the attached memo from Legislative Research addressing the issue in further detail. If any of this information is unclear or if committee members have follow up questions, please do not hesitate to contact me.

Sincerely,

Jennifer Senette
Staff to Representative Olson
465-4530

STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES
ADVISORY BOARD ON ALCOHOLISM AND DRUG ABUSE
and ALASKA MENTAL HEALTH BOARD

SARAH PALIN, GOVERNOR

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February 19, 2009

Representative Kurt Olson
Alaska State Capitol
Juneau, Alaska 99801

Re: HB 29 Raising Alaska's Minimum Wage

Dear Representative Olson,

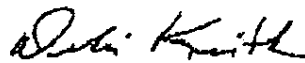
The Advisory Board on Alcoholism and Drug Abuse and Alaska Mental Health Board appreciate your recognition of the need for an increase to Alaska's minimum wage. While the proposed increase to minimum wage does not alleviate all the problems faced by Alaska's working poor, it would help low-wage workers better provide for their families. Many of these low-wage workers are people experiencing mental illness or in recovery from mental illness or addiction, so we support moving minimum wage closer to a meaningful wage.

Despite arguments that raising minimum wage endangers small businesses and the jobs they provide — or that minimum wage is only paid to entry-level positions from which workers quickly graduate to a higher wage — research by the Economic Policy Institute shows “no significant job loss associated with the 1996-1997 [federal] minimum wage increase.” Instead, low-wage labor markets performed better after the minimum wage was increased.

Of low-wage workers, women and minority workers benefit most from an increase in minimum wage. Among low-income families with children, low-wage workers contribute over half of the family income — which means that raising the minimum wage will benefit the more than 19,000 Alaskan children living in poverty.

It is not just teenagers working for spending money who hold minimum wage jobs in Alaska. Parents, seniors trying to supplement their limited income, individuals experiencing disabilities, and students putting themselves through school are all represented in the low-wage labor market. Their work is a valuable part of our economy, and should be recognized as such. Thank you for your work, and please let us know if the Alaska Mental Health Board and Advisory Board on Alcoholism and Drug Abuse can assist in the effort to pass this important legislation.

Sincerely,



Debi Keith, Chair
AMHB



Lonnie Walters, Chair
ABADA



LEGISLATIVE RESEARCH SERVICES

Alaska State Legislature
Division of Legal and Research Services
State Capitol, Juneau, AK 99801

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March 3, 2009

Memorandum

TO: Representative Kurt Olson
FROM: Roger Withington, Legislative Analyst *R. Withington*
RE: Wage Rates Tied to the Minimum Wage Rate
LRS Report 09.185

You asked if there are any provisions in Alaska law that tie wages paid to individuals who work in a specific occupation to the minimum wage rate. Specifically you asked if there are provisions in Alaska law similar to AS 23.10.065(b), which requires public school bus drivers to be paid at a rate of not less than two times the minimum wage established under AS 23.10.065(a).

Using the on-line annotated 2008 Alaska Statutes we identified two laws that generally fit these criteria: AS 23.10.055 and AS 33.30.201. We provide the relevant section from each of these laws below.

AS 23.10.055 Exemptions; compensation of executives, administrators, and professionals.

(b) Notwithstanding (c) of this section, an individual employed in a bona fide executive, administrative, or professional capacity shall be compensated on a salary or fee basis at a rate of not less than two times the state minimum wage for the first 40 hours of employment each week, exclusive of board or lodging that is furnished by the individual's employer.

AS 33.30.201 Compensation of prison inmates; deductions; disbursement; liens.

(a) Each prisoner who is productively employed, as defined in AS 33.30.191(g)(1) or (3) - (5), may receive for that work compensation at a rate determined by the commissioner under this section if the money is available from legislative appropriations. Compensation established by the commissioner under this section may not exceed 50 percent of the minimum wage established in AS 23.10.065; however, if required to comply with a federal statute or regulation, a higher compensation may be established by the commissioner.

In addition, there are a number of laws that use the minimum wage, or a factor thereof, as a measure or a guideline of compensation. Some examples of these laws include AS 23.10.060, Payment of Overtime; AS 23.20.406, Extended Unemployment Compensation; AS 23.30.041 Rehabilitation and Reemployment of Injured Workers; and AS 23.30.220 Determination of Spendable Weekly Wage.

We have attached copies of both of the laws noted above to this memorandum. Please note that, although we are confident we have identified all of the laws of this nature, due to our search limitations and the disparate way in which laws are written, our search may not be exhaustive.

We hope you find this information useful. Please let us know if you have questions or need additional information.



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UNIVERSITY
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Vermont Legislative Research Shop

The Effects of Increases in the Minimum Wage

The debate over increasing the minimum wage usually includes claims about the impact of this action on employment levels and wage levels. This report examines data and studies that compare minimum wage levels and employment levels by state. Table 1 lists the states with minimum wage rates above the federal level.

Table 1: States with Minimum Wage Rates above the Federal Level				
State	1998	1999	2000	2001
Alaska	\$5.65	\$5.65	\$5.65	\$5.65
California	\$5.75	\$5.75	\$5.75	\$6.75
Connecticut	\$5.65	\$5.65	\$6.15	\$6.70
Delaware	\$5.15	\$5.65	\$5.65	\$6.15
Hawaii	\$5.25	\$5.25	\$5.25	\$5.25
Massachusetts	\$5.25	\$5.25	\$5.25	\$6.75
New Jersey	\$5.95	\$5.95	\$5.95	\$5.95
Oregon	\$5.50	\$6.50	\$6.50	\$6.50
Rhode Island	\$5.15	\$5.65	\$6.15	\$6.15
Vermont	\$5.25	\$5.75	\$5.75	\$6.25
Washington	\$5.15	\$5.70	\$6.50	\$6.72
Source: Bureau of Labor Statistics				

The Princeton Study

In order to determine if higher minimum wage leads to a higher unemployment two economic professors at Princeton University (David Card and Alan Krueger) conducted a study on minimum wage hikes with a focus on the New Jersey minimum wage hike in 1990.

Card and Krueger compared unemployment and wages in New Jersey and Pennsylvania. In that comparison they focused on the fast food industry (the leading employers of low wage earners and an industry that enforces the minimum wage). The Comparison of New Jersey and Pennsylvania indicated, "employment actually expanded in New Jersey relative to Pennsylvania, where the minimum wage was constant" (Card and Krueger 1995, p. 66). In additional studies that they conducted using data from other states Card and Krueger actually found a positive correlation between a higher minimum wage and employment. Table 2 presents the findings of each of the studies they ran.

Analysis	Source of Wage Change	Nature of Comparison	Wages	Employment
1. New Jersey-Pennsylvania Fast Food Restaurants	New Jersey minimum wage rises to \$5.05	Across states and within NJ between high and low wage restaurants	+ .11	+ .04
2. Texas fast-Food Restaurants	Federal minimum wage rises to \$4.25 April	Between high and low wage restaurants	+ .08	+ .20
3. California Teenagers	California minimum wage rises to \$4.25 July 1988	Between teenagers in California and comparison areas	+ .10	+ .12
4. Cross-States Teenagers, 1989-1992	Federal Minimum Wage rises from \$3.35 to \$4.25	Across states with higher and lower fractions earning \$3.35- \$4.24 in 1989	+ .07	.00
5. Cross-States, Workers with Low Predicted Wages, 1989-1992	Federal minimum wage rises from \$3.35 to \$4.25	Across states with higher and lower fractions earning \$3.35- \$4.24 in 1989	+ .07	+ .02
6. Cross-States, Employees in Retail Trade, 1989-1992	Federal Minimum Wage rises from \$3.35 to \$4.25	Across states with higher and lower fractions earning \$3.35- \$4.24 in 1989	+ .05	+ .02
7. Cross-States, Employees in Restaurant Industry, 1989-1992	Federal Minimum Wage rises from \$3.35 to \$4.25	Across states with higher and lower fractions earning \$3.35- \$4.24 in 1989	+ .07	+ .03

Source: David Card and Alan Krueger, *Myth and Measurement*, Page 389, Chart 12.1

In addition to those findings, Card and Krueger found:

- A large "spike" in wage distribution at the minimum wage level. This "spike" indicates a large percentage of the work force is minimum wage earners.
- A "ripple effect" that consists of wage increases of non-minimum wage earners from those employers who fix wages above the minimum wage.
- An absence of evidence that employers reduce benefits to compensate for the higher wage.
- A low utilization of teens in the work force.

Criticisms of the Princeton Study

Card and Krueger have received some criticism for their study from a number of conservative think tanks that published their commentaries in opinion-editorial fashion rather than in peer-reviewed journals. Critics claim that the Princeton Study looked specifically at minimum wage issues in the fast food industry, which leaves out a significant population of the minimum wage work force. They also claim that the Card and Krueger data is inconsistent with the actual payroll records of the Burger King franchises; Card and Kreuger chose to rely on the Bureau of Labor Statistics for their data. Richard Berman of the Employment Policies Institute also disagreed with the methodology of the Card and Kruger study. He argues that the analysis should have focused on the number of hours worked instead of the number of employees (Berman 1998). Despite the claims of these critics, there has been no peer-reviewed research to date that contradicts the findings of Card and Kreuger or supports the claim that an increase in the minimum wage increases unemployment.

The Case of Oregon

Oregon has had a higher minimum wage than the federal minimum wage since 1989. In November 1996, Oregon voters approved Ballot Measure #36, which increased the state minimum wage from \$4.75 to \$6.50 over a three-year period. In 1998 the state minimum wage was \$6.00 and on Jan 1, 1999 the rate rose to \$6.50.

Did Oregon's higher minimum wage increase unemployment? Table 3 compares the unemployment rate in Oregon and a number of other states. Included in the table are a number of other states with higher minimum wage laws and some of their neighboring states. While Oregon saw a higher unemployment rate than its neighbor, Washington, it saw a decrease in unemployment between 1997-98 as Washington saw a slight increase. To facilitate a comparison of unemployment rates between high minimum wage states with low minimum wage states we calculated the averages for each group of states. States

with higher minimum wages saw, on average, about the same unemployment rate as states with low minimum wage. Furthermore, high minimum wage states saw a greater decrease in the unemployment rate than low minimum wage states.

Table 3: Unemployment Rates and the Minimum Wage				
States with Minimum Wage Above Federal				
	Unemployment		Minimum Wage	
	Rate 1998	Change 97-98	1997	1998
Oregon	5.5	-0.04	\$5.50	\$6.00
New Jersey	4.4	-0.11	\$5.95	\$5.95

California	5.9	-0.02	\$5.15	\$5.75
Connecticut	3.1	-0.45	\$5.18	\$5.65
Alaska	5.5	-0.29	\$5.65	\$5.65
Massachusetts	3.1	-0.23	\$5.25	\$5.25
Vermont	2.9	-0.28	\$5.25	\$5.25
Average	4.3	-0.20	\$5.42	\$5.64

States with Minimum Wage at Federal Level				
	Unemployment		Minimum Wage	
	Rate 1998	Change 97-98	1997	1998
Washington	4.7	0.06	\$5.15	\$5.15
Pennsylvania	4.4	-0.09	\$5.15	\$5.15
New Hampshire	2.9	0.00	\$5.15	\$5.15
New York	5.5	-0.11	\$5.15	\$5.15
Montana	5.5	0.02	\$5.15	\$5.15
Average	4.6	-0.02	\$5.15	\$5.15

Source: Bureau of Labor Statistics, "Local Area Unemployment Statistics,"

<http://www.bls.gov/news.release/laus.t03.htm>

Additional Information

Most studies have found that the entire net effect of an increase in minimum wage results in a slight decrease in employment. A 10 percent increase would most likely lead to only a 1 percent reduction in employment. The more pressing issue is the matter of a livable wage. Even the state with the highest minimum wage does not meet the criteria for a livable wage. Over 24 cities throughout the United States have enacted a livable wage requirement, in order that people are able to meet their basic needs, such as food, shelter, heat, and clothing. This requirement has resulted in a minor cost increase for employers and a 2.2 percent decrease in employment. For a single person to meet his/her essential needs while living in Vermont, the person would need to make at least \$7.98 an hour, and for a family of four it would need to make at least \$19.82 an hour.

Sources

Berman, R. (1998). "An Open Letter: To Professors David Card and Alan Krueger." The Employment

Policies Institute, Washington, D.C., US.

Bureau of Labor Statistics, "Local Area Unemployment Statistics."
<http://www.bls.gov/news.release/laus.t03.htm>.

Card, D. E. & Krueger, A.B.(1995). *Myth and Measurement: The New Economics of the Minimum Wage*. Princeton: Princeton University Press.

The Department of Labor (1999). "Impact On Special Minimum Wage Rates."
<http://www.dol.gov/dol/esa/public/minwage/special.htm>

The Employment Policies Institute (1999). "The employment impact of a comprehensive living wage law: Evidence from California." http://www.epionline.org/california_lw.htm

McClaghry, J. "Minimum Wage Madness." Vermont Grocers' Association, June 1993.

Neumark, D. & Wascher, W. "Employment Effects of Minimum and Subminimum Wages: Reply to Card, Katz, and Krueger." Economic Activity Section, Division of Research and Statistics, Board of Governors of the Federal Reserve, October 1993.

Neumark, D. (1998). "Do minimum wages help low-income families?" American Enterprise Institute for Public Policy Research. <http://www.aei.org>

Oregon Secretary of State,
<http://www.sos.state.or.us/elections/nov596/voters.guide/MEASURES/MEAS36/M36.HTM>

Zycher, B. "Minimal Evidence." *Reason*, June 1995.

Compiled by Paul Cascio, Brian Crane, and Amen Teter on February 19, 1999, and updates by Julie Britt, Thomas Miller, and Robyn Schmidek on April 25, 2001.



State Minimum Wages

Updated December 17, 2008

State	Minimum Wage	Future Scheduled Increases
Alabama (F)	\$6.55	\$7.25 July 24, 2009
Alaska	\$7.15	
Arizona	\$6.90	*
Arkansas	\$6.25	
California	\$8.00	
Colorado	\$7.02	*
Connecticut	\$7.65	\$8.00 Jan. 1, 2009; \$8.25 Jan. 1, 2010
Delaware	\$7.15	
District of Columbia	\$7.55	\$8.25 July 24, 2009
Florida	\$6.79	*
Georgia (F)	\$6.55	\$7.25 July 24, 2009
Hawaii	\$7.25	
Idaho (F)	\$6.55	\$7.25 July 24, 2009
Illinois	\$7.75	\$8.00 July 1, 2009; \$8.25 July 1, 2010
Indiana (F)	\$5.85	\$6.55 July 24, 2008; \$7.25 July 24, 2009
Iowa	\$7.25	
Kansas	\$6.55	\$7.25 July 24, 2009
Kentucky (F)	\$6.55	\$7.25 July 24, 2009
Louisiana (F)	\$6.55	\$7.25 July 24, 2009
Maine	\$7.25	\$7.50 Oct. 1, 2009
Maryland	\$6.55	\$7.25 July 24, 2009
Massachusetts	\$8.00	
Michigan	\$7.40	
Minnesota	\$6.15 (1)	
Mississippi (F)	\$6.55	\$7.25 July 24, 2009
Missouri	\$6.65	*
Montana	\$6.55	\$7.25 July 24, 2009*
Nebraska	\$6.55	\$7.25 July 24, 2009
Nevada	\$6.85 (2)/ \$5.30 (3)	*
New Hampshire	\$7.25	
New Jersey	\$7.15	
New Mexico	\$6.50	\$7.50 Jan. 1, 2009
New York	\$7.15	\$7.25 July 24, 2009
North Carolina	\$6.55	\$7.25 July 24, 2009
North Dakota	\$6.55	\$7.25 July 24, 2009
Ohio	\$7.00 (4)	
Oklahoma	\$6.55	\$7.25 July 24, 2009
Oregon	\$7.95	*
Pennsylvania	\$7.15	\$7.25 July 24, 2009
Rhode Island	\$7.40	
South Carolina (F)	\$6.55	\$7.25 July 24, 2009



South Dakota	\$6.55	\$7.25 July 24, 2009
Tennessee (F)	\$6.55	\$7.25 July 24, 2009
Texas	\$6.55	\$7.25 July 24, 2009
Utah (F)	\$6.55	\$7.25 July 24, 2009
Vermont	\$7.68	*
Virginia (F)	\$6.55	\$7.25 July 24, 2009
Washington	\$8.07	*
West Virginia	\$7.25	
Wisconsin	\$6.50	
Wyoming (F)	\$6.55	\$7.25 July 24, 2009

(F) - State does not have its own minimum wage laws, but adheres to federal minimum wage requirements.

* Future annual increases indexed to cost of living.

(1) Applies to employers with an annual sales volume of more than \$625,000. The federal minimum wage applies to employers with annual sales of \$625,000 or less.

(2) Without benefits. (3) With benefits.

(4) Applies to employers with an annual sales volume of \$255,000 or more. The federal minimum wage applies to employers with annual sales less than \$255,000.

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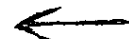
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Washington Office: Tel: 202-624-5400 | Fax: 202-737-1069 | 444 North Capitol Street, N.W., Suite 515 | Washington, D.C. 20001

5	25,790
6	29,530
7	33,270
8	37,010

For families with more than 8 persons, add \$3,740 for each additional person.

2009 Poverty Guidelines for Alaska



Persons in family	Poverty guideline
1	\$13,530
2	18,210
3	22,890
4	27,570
5	32,250
6	36,930
7	41,610
8	46,290

For families with more than 8 persons, add \$4,680 for each additional person.

2009 Poverty Guidelines for Hawaii

Persons in family	Poverty guideline
1	\$12,460
2	16,760
3	21,060
4	25,360
5	29,660
6	33,960
7	38,260
8	42,560

For families with more than 8 persons, add \$4,300 for each additional person.

Go to Further Resources on Poverty Measurement, Poverty Lines, and Their History

Go to Frequently Asked Questions (FAQs).

Return to the main Poverty Guidelines, Research, and Measurement page.

Last Revised: January 23, 2009

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Minimum Wages and Employment: A Case Study of the Fast-Food Industry in New Jersey and Pennsylvania

By DAVID CARD AND ALAN B. KRUEGER*

On April 1, 1992, New Jersey's minimum wage rose from \$4.25 to \$5.05 per hour. To evaluate the impact of the law we surveyed 410 fast-food restaurants in New Jersey and eastern Pennsylvania before and after the rise. Comparisons of employment growth at stores in New Jersey and Pennsylvania (where the minimum wage was constant) provide simple estimates of the effect of the higher minimum wage. We also compare employment changes at stores in New Jersey that were initially paying high wages (above \$5) to the changes at lower-wage stores. We find no indication that the rise in the minimum wage reduced employment. (JEL J30, J23)

How do employers in a low-wage labor market respond to an increase in the minimum wage? The prediction from conventional economic theory is unambiguous: a rise in the minimum wage leads perfectly competitive employers to cut employment (George J. Stigler, 1946). Although studies in the 1970's based on aggregate teenage employment rates usually confirmed this prediction,¹ earlier studies based on comparisons of employment at affected and unaffected establishments often did not (e.g., Richard A. Lester, 1960, 1964). Several re-

cent studies that rely on a similar comparative methodology have failed to detect a negative employment effect of higher minimum wages. Analyses of the 1990-1991 increases in the federal minimum wage (Lawrence F. Katz and Krueger, 1992; Card, 1992a) and of an earlier increase in the minimum wage in California (Card, 1992b) find no adverse employment impact. A study of minimum-wage floors in Britain (Stephen Machin and Alan Manning, 1994) reaches a similar conclusion.

This paper presents new evidence on the effect of minimum wages on establishment-level employment outcomes. We analyze the experiences of 410 fast-food restaurants in New Jersey and Pennsylvania following the increase in New Jersey's minimum wage from \$4.25 to \$5.05 per hour. Comparisons of employment, wages, and prices at stores in New Jersey and Pennsylvania before and after the rise offer a simple method for evaluating the effects of the minimum wage. Comparisons within New Jersey between initially high-wage stores (those paying more than the new minimum rate prior to its effective date) and other stores provide an alternative estimate of the impact of the new law.

In addition to the simplicity of our empirical methodology, several other features of

* Department of Economics, Princeton University, Princeton, NJ 08544. We are grateful to the Institute for Research on Poverty, University of Wisconsin, for partial financial support. Thanks to Orley Ashenfelter, Charles Brown, Richard Lester, Gary Solon, two anonymous referees, and seminar participants at Princeton, Michigan State, Texas A&M, University of Michigan, University of Pennsylvania, University of Chicago, and the NBER for comments and suggestions. We also acknowledge the expert research assistance of Susan Belden, Chris Burris, Geraldine Harris, and Jonathan Orszag.

¹ See Charles Brown et al. (1982, 1983) for surveys of this literature. A recent update (Allison J. Wellington, 1991) concludes that the employment effects of the minimum wage are negative but small: a 10-percent increase in the minimum is estimated to lower teenage employment rates by 0.06 percentage points.

Effects of the Minimum Wage on the Employment Status of Youths

An Update

Alison J. Wellington

ABSTRACT

The large decline in the relative value of the minimum wage during the 1980s makes that period a valuable one for identifying the impact of variation in the minimum wage on youth employment. This study produces the robust finding that, when the experience of the 1980s is included, a 10 percent increase in the minimum wage is estimated to reduce teen employment by less than 1 percent—the lower end of the range of previous estimates. Because this small employment effect is offset by a labor force withdrawal effect, the study finds no discernible effect on measured unemployment. The study also finds no apparent effect of the minimum wage on the employment of young adults aged 20–24.

Introduction

The federal minimum wage rate was last raised (to \$3.35) in 1981. In recent years Congress has repeatedly considered bills that would increase the minimum wage rate and is likely to face more bills as long as the minimum wage is not increased. In the almost fifty years since the passage of the Fair Labor Standards Act, the minimum wage rate has

The author is an assistant professor in economics at Davidson College. This research was partially funded by a NICHD Graduate Fellowship in Economic Demography. She would like to thank Charles Brown, Gury Solon, and two anonymous referees for their insightful comments and helpful suggestions. She takes responsibility for any remaining errors. The data used in this article can be obtained from the author between August 1991 and August 1994 at the following address: Department of Economics, Davidson College, Davidson, North Carolina 28036.

[Submitted February 1989; accepted August 1989]

THE JOURNAL OF HUMAN RESOURCES · XXVI · 1

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adn.com

Anchorage Daily News

Higher minimum wage in Alaska has support

SMALL BUSINESS: Poll finds many favor a state differential.


Anchorage Daily News

(01/10/08 01:33:14)

A new poll of Alaska small businesses found about 45 percent favor pegging Alaska's minimum wage to 50 cents higher than the federal minimum, according to the National Federation of Independent Business.

"In any other state, this would have received a 99 percent 'No' response," said Denny DeWitt, the group's Alaska director.

"The reason the 'Yes' vote was so high here was not because employers want to increase costs on themselves, but because of Alaska's history of keeping its minimum wage ahead of the federal level," he said.



Alaska's minimum used to float at 50 cents above the federal rate but it has been flat at \$7.15 an hour since 2003.

The federal minimum wage is \$5.85, but it will rise to \$6.55 this summer and then to \$7.25 in July 2009.

Other poll findings:

- 56 percent said there should be a lower "training wage" if the minimum wage is raised.
- 69 percent said the state's unemployment benefit should not be raised to \$370 a week from \$248 and the maximum wage on which the amount of an unemployment benefit is based, lifted to \$42,000 from \$26,750.
- 78 percent said dependents should not be able to stay on family health-insurance plans until age 26.



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TTY 1-877-434-7598
www.aarp.org/ak

February 23, 2009

The Honorable Kurt Olson, Chair
House Labor and Commerce Committee
Alaska State Capitol, Room 24
Juneau, Alaska 99801-1182

RE: HB 29 (Olson)--Support

Dear Chair Olson:

On behalf of the members of AARP in Alaska, we encourage you and your colleagues on the House Labor and Commerce Committee to support HB 29, authored by you..

Alaska's cost of living is one of the highest in the nation. Alaska has prided itself in having competitive wages compared to the rest of the nation but we no longer do so. Low-wage workers have been losing out relative to higher paid workers at a time when corporate executives receive ever more lavish compensation. With the significant increases of utilities, home heating oil, gas prices and goods overall, it is becoming increasingly difficult for working Alaskans to maintain their standard of living.

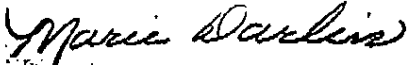
With a substantial increase of the aging population in Alaska and the current economic downturn and loss of investments, we are finding more older Alaskans are working at part time jobs for minimum wage. AARP is supportive of all policies that ensure an Alaskan worker's pay and other benefits are sufficient to cover essential living expenses.

AARP requests an "AYE" vote on HB 29.

Should you have any questions about our position, please feel free to contact me (586-3637) or Patrick Luby, AARP Advocacy Director (907-762-3314).

Thank you for your consideration.

Sincerely,



Marie Darlin, Coordinator
AARP Capital City Task Force
415 Willoughby Avenue, Apt. 506
Juneau, AK 99801
586-3637 (voice)
463-3580 (fax)

CC: Vice-Chair Mark Neuman
Representative Mike Chenault
Representative John Coghill
Representative Bob Lynn
Representative Bob Buch
Representative Lindsey Holmes

March 11th, 2009

To Whom It May Concern,

In regards to HB 29 Alaska Minimum Wage now being assessed, I would like to go on record as being vehemently against.

Many employees, especially our young adults, have never been employed. We take these inexperienced people and teach them a trade. Most come to us with no skills, no desires, and no work ethics. We, as employers, must teach all this and keep our businesses running smoothly. This would include having another full time experienced employee on the payroll to work side by side with new hirees. We can't wait for business to be booming to train, therefore, we are forced to work at a loss. This process may go on for the full season but most employers hope for a 1-1 1/2 month period. Because these are most often entry level working jobs, turnover is high.

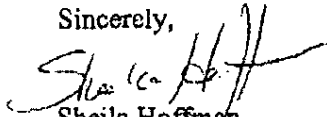
No one can learn all that is necessary in one summer so the teaching process continues into the second year, but by then, there is no guarantee they will be back so this process starts again and that first employee has improved their skill and now has the beginnings of something to offer their next employer. Experience is now marketable!

Postponing the date of enacting this bill is not a solution. This training and these jobs are greatly needed. I, as a business owner and employer, am not afraid to pay good wages, but cannot afford to pay that high of a wage. So, if you choose to do this, what can I do? #1-There will be no raises for any young part time people; #2-Less help hired; #3-Less hours of operation; #4-Close doors.

These options are very real. The increase costs of insurance and taxes will make operation next to impossible. It will put a stop to all business growth and improvements. Unlike the Federal Government, I can't increase prices and demand that the people pay. Business has been declining in rural Alaska for the last 5 years and there is no relief in sight. Along with the proposed increase in capital gains and other burdens put on small business this will crater us.

What we (small business) do is important and necessary. I have received notice that my training has allowed many to go out and compete in the professional world. That was training I paid for and am proud of. Please do not take that away from us.

Sincerely,



Sheila Hoffman
HC 60 Box 153
Copper Center, AK 99573



Alaska State Legislature

Please enter into the record my testimony to the HOUSE LABOR + COMMERCE
committee name

Committee on NB 29 MINIMUM WAGE dated 2-23-09
bill # / subject public hearing date

I AM A MEMBER OF THE NFIB - MEMBER OF STATE CHAMBER - SEC. for
 KENIA PENINSULA CHAMBER - OWNER OF HANDBAR - SPEAKING for MYSELF.
 RAISING THE MINIMUM WAGE WILL HURT A LOT OF THE SMALL BUSINESSES
 IT WILL MAKE US PAY MORE FOR WORKMAN COMP - STATE EMPLOYEE
 WAGES & FEDERAL WAGES. I WON'T BE ABLE TO AFFORD TO MEET PAYROLL
 SO THAT MEANS I'LL HAVE TO LAY OFF SOME PART TIME HELP MEANING
 THEY CAN DRAW UNEMPLOYMENT UNTIL THAT RUNS OUT & AFTER THAT
 MAYBE THEY CAN GO ON WELFARE. I CAN WORK MYSELF & I WON'T HAVE TO
 PAY MYSELF SO THAT WILL SAVE ME MONEY & NO TAX MONEY TO PAY IN
 OR WORKMAN COMP. AGRICULTURE CLOSING HAS MADE A BIG IMPACT ON
 THIS PENINSULA & IT WILL GET WORSE. THE TOURIST TRADE HAS
 DROPPED OFF BECAUSE OF GAS PRICES & FISH LIMITS & COMBINATION OF
 THINGS & I DON'T SEE THAT CHANGING MUCH EITHER.

YOU PEOPLE SAY YOU ARE FOR SMALL BUSINESSES BUT I FEEL
 THIS WILL PUT MOST OF US OUT OF BUSINESS, WITH THE HIGH COST OF
 FREIGHT - SHIPPING & HANDLING, ECT. I BELIEVE \$1.60 INCREASE IS TOO
 MUCH. I REALISE THE COST OF LIVING IS HIGH UP HERE IN ALASKA BUT I
 FEEL MAYBE .25 TO .50 WOULD BE MORE APPROPRIATE. BUT NOT THE \$1.60 THAT
 SB 1 IS GOING FOR.

Signed: CRYSTAL SCHOENROCK Crystal Schoenrock
 Testifier

H- LANDS BAR & LIQUOR NIKISKI, AK 99635
 Representing (optional)

BOX 8583
 Address

907-776-5833 FAX 907-776-4097
 Phone number

Estimated Alaska 2007 Employment¹ by Industry and Below Certain Wages

Number and percentage of workers making less than this wage:		
	Employment	Percent
Below \$7.75	8,790	2.9%
Below \$8.75	22,254	7.4%
Total Employment	301,918	

Industry	Total Employment	Below \$7.75		Below \$8.75	
		Number	Percent	Number	Percent
Agriculture, Forestry, Fishing and Hunting	361	0	0.0%	4	1.0%
Mining	13,300	19	0.1%	59	0.4%
Utilities	1,832	8	0.4%	25	1.4%
Construction	17,555	70	0.4%	124	0.7%
Manufacturing	9,885	648	6.6%	1,467	14.8%
Wholesale Trade	6,519	83	1.3%	244	3.7%
Retail Trade	36,006	1,138	3.2%	4,285	11.9%
Transportation and Warehousing	21,623	166	0.8%	631	2.9%
Information	6,964	147	2.1%	304	4.4%
Finance and Insurance	8,969	54	0.6%	174	1.9%
Real Estate and Rental and Leasing	4,885	216	4.4%	564	11.5%
Professional, Scientific, and Technical	12,146	90	0.7%	245	2.0%
Management of Companies and Enterprises	1,203	3	0.3%	13	1.1%
Administrative and Support and Waste	11,026	220	2.0%	446	4.0%
Educational Services	31,737	1,168	3.7%	1,953	6.2%
Health Care and Social Assistance	36,245	372	1.0%	990	2.7%
Arts, Entertainment, and Recreation	4,066	355	8.7%	884	21.7%
Accommodation and Food Services	26,610	3,440	12.9%	8,309	31.2%
Other Services (except Public	9,425	358	3.8%	987	10.5%
Public Administration	41,561	235	0.6%	546	1.3%
TOTAL EMPLOYMENT:	301,918	8,790	2.9%	22,254	7.4%

¹ Nonfarm wage and salary employment. Excludes self-employed workers, fishermen, domestic workers, unpaid family workers and nonprofit volunteers.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section, and U.S. Department of Labor, Bureau of Labor Statistics, January 20, 2009.

These estimates are based on information collected in cooperation with the U.S. Bureau of Labor Statistics (BLS), but have not been reviewed nor validated by BLS. The Research and Analysis Section is responsible for the creation of these estimates.

Submitted by Rep Olson



PACIFIC SEAFOOD PROCESSORS ASSOCIATION
Est. 1914

March 30, 2009

Rep. Mike Hawker, Co-chairman
Rep. Bill Stoltze, Co-chairman
House Finance Committee
Alaska Legislature
State Capitol
Juneau, AK 99801

RE: HB 29 Alaska Minimum Wage

Dear Co-chairmen Hawker and Stoltze,

Pacific Seafood Processors Association (PSPA) and its member companies with processing plants in many Alaska communities are very concerned about proposed legislation to significantly raise Alaska's minimum wage and want to make sure legislators are aware of the economic impacts that such an increase, coming at this time, could have. This action could negatively impact not only the seafood processing industry and its workforce, but also fishermen, other businesses, communities, and state revenues that depend on a healthy, viable seafood industry.

PSPA is a trade association of seafood processing companies with operations in many locations throughout coastal Alaska, including Ketchikan, Sitka, Kodiak, Unalaska/Dutch Harbor, Valdez, Dillingham, Naknek, Pederson Point, Togiak, Port Moller, and King Cove. Our member companies purchase, process, and market millions of pounds of Alaska seafood every year. They provide thousands of direct and indirect jobs in Alaska, markets to fishermen, and millions of dollars in tax revenues to Alaska communities and the State.

A huge portion of the operating costs of the seafood processing industry is the cost of labor. While the starting wage for many entry level positions is minimum wage, most employees move up from that wage quickly. However, as a practical matter, a mandated pay hike at the entry level requires pay scales above that to move up accordingly. Much of the seafood workforce works many hours of overtime at 'time-and-a-half' pay, bringing their average hourly pay to considerably higher than their base wage. Additionally, companies often cover the high cost of transportation for employees to and from remote locations, as well as provide them with room and board. Many also provide health benefits and 401-K plans. Thus, while many entry level workers are nominally "minimum wage workers," their total compensation package is far better than simple wage tables might indicate.

While the effects of the current worldwide economic recession have been slower in manifesting themselves in Alaska than in many other areas, the seafood industry is now seeing that freight train coming right at it. Please see the attached article from Seafood.com entitled, "Another Shoe to Drop: Credit Woes in the Seafood Industry." As the article explains, even seafood companies with good access

222 Seward Street, Suite 200
Juneau, AK 99801
Phone (907) 586-6366
Fax (907) 586-4618
www.pspafish.net

to credit for their operations are finding that many of their customers – even major, long time customers of Alaska seafood – are having trouble getting credit. Additionally, insurance to protect against losses due to customers that default on their purchases is getting harder and harder to obtain. At the retail end, budget-conscious consumers are dining out less often and seeking lower-priced proteins than seafood for their meals in restaurants and at home. Seafood markets are tightening, profit margins are shrinking, and the ability of the seafood processing industry to absorb extra costs is evaporating. Given the economic climate, it is not realistic to think that extra costs can be passed along to the consumer.

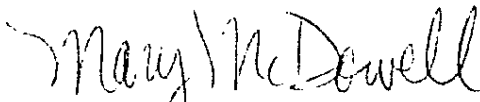
The options and choices that would be available to seafood companies faced with a significant increase in labor costs under current circumstances are not good ones. They would have to consider actions such as spending less on supplies and services in local communities; postponing plant maintenance and upgrades; closing some plants that are already only marginally profitable; reducing or eliminating worker benefit packages; replacing some of their workforce with more mechanization; lowering prices paid to fishermen to obtain raw product; and reducing expenditures on the kinds of quality improvements and new product development that keeps Alaska seafood competitive in world markets. Seafood companies don't want to have to take *any* of those actions. However, the current economic situation is an extraordinary one and an increase in labor costs right now would likely result in the need for some painful actions.

With the upcoming hike in the federal minimum wage, Alaska's seafood industry, like most other employers, will be absorbing a 10-cent hike in minimum wage this July, just as the industry enters the peak of the salmon season and the summer pollock season. With the large amount of overtime pay that workers earn in this industry, even the 10-cent hike will equate to millions of dollars in additional labor costs to the processing industry.

In the last few weeks economists have noted an increase in unemployment in Alaska and signs that Alaska will enter an economic recession this year. PSPA respectfully requests that the legislature carefully consider the potential short and long term ramifications of substantially increasing labor costs for Alaska businesses at this time of economic uncertainty. Our member companies very much appreciate and value their employees and want to be able to keep them well-employed. Under current economic conditions, they believe that that can best be achieved without another increase in minimum wage.

Please feel free to call on our association or member companies if you would like to discuss the concerns we have outlined.

Sincerely,

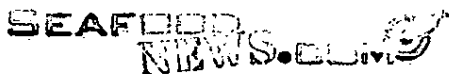


Mary McDowell
Vice President

enclosure

cc: Members of the House Finance Committee
Rep. Kurt Olson

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Another Shoe to Drop: Credit woes In the Seafood Industry (editorial)

SEAFOOD.COM NEWS by John Sackton - March 18, 2009 - (editorial comment and analysis)

The first two days of the Boston Seafood Show were very upbeat - but I left the show at the end of the day yesterday feeling a little more somber.

The problem: The seafood industry is about to see much more fallout from the credit crunch.

On both coasts, and in Canada and Alaska, seafood producers are gearing up for a new season. That means they have to buy fish and shellfish, build up inventories, and then sell down those products over the course of the year.

In many fisheries, there are two or three players who - due their access to capital, strong balance sheets, or strong sales channels - are able to finance large amounts of product and take a position. Their activities stabilize prices and their financial resources set a foundation on which the rest of the industry operates - mostly as competitors - either forced to match their purchase prices, or able to bid product away (in smaller volumes) by paying higher prices or in some cases selling at lower prices, or sometimes doing both and just operating on much thinner margins.

My worry today, as I left the show, was how strongly these dominant buyers would show up this year, and if so, would they be financially strong enough. And if they show up, as I believe they will, what about the smaller companies operating on the thinner margins. Many will be at risk.

Here is the problem: over the past six months there has been a tremendous deleveraging of bank and insurance company exposure to credit risk. One of the major ways credit risk is handled in the seafood industry is through receivables insurance, and financial covenants from lenders like banks that limit the amount of exposure a seller has to particular customers.

Banks and insurers have been chopping these limits down as fast as they can - so that major national chains may not even qualify for credit insurance, or their receivables may not count towards maintaining the financial ratios that some companies are required to maintain.

Now word at the show is that some of the larger seafood companies may be being told by their banks that their credit lines are being marked down due to the lower amount of credit risk and receivable risk the lenders feel comfortable with.

All of a sudden a new fishing season is opening when most every company will want to be dealing on a cash basis: buy the product, turn it over for cash, buy more product. Few companies will take the risk to buy and hold - so it is an open question as to where price and market stability will come from. On an aggregate basis, there may be far less money available to finance the seafood buy than was available last year.

This is a recipe for more bankruptcies and consolidation in the industry. The company that can carry the cost of an item for 4 to 8 weeks will be stronger than the company that needs a cash turn in 7 days. In some cases, this is going to force companies out of business and lead to more consolidations.

The recent bankruptcy in Denmark of Hesselholt - a \$120 million company with two processing plants and 160 employees - was clearly brought about by cutbacks in their customers' ability to get credit insurance. Their salmon plant, which produced 12,000 tons a year, was shut down less than two weeks before the entire company entered administration. This week, they elected to shut the entire company.

At the time, Managing director Claus Raabye said that the withdrawal of credit insurance from their customers was the primary reason. As the customers lost their credit insurance, the ability of Hesselholt to make sales got more and more restrictive, likely due to the fact that their own lenders required such coverage. Eventually the plant reached a tipping point where sales would not cover expenses.

In the UK, credit insurance coverage was pulled from Brakes - a broadline foodservice distributor who also owns a fresh fish distributor, M&J Seafoods. All of a sudden some companies could no longer sell to M&J except for cash.

In France, some fish is being left unsold on auctions due to the lack of buyers for the first time in many years, because buyers are pulling back their volumes to what they can sell for cash and a more limited pool of approved customers with credit insurance.

In the U.S., the potential fallout from this situation is very bleak. First, it will mean more bankruptcies and shut downs for seafood companies that are pushed over the brink when they cannot maintain the sales volumes needed to operate. They are squeezed when they can't get the credit to buy products, and they can't get the agreements to finance receivables. The result is a smaller and smaller pool of actual sales to cover operations.

Secondly, it will put severe pressure on prices. Some species, like lobster and cod, have already seen dramatic declines of up to 50% from their highs in the past year or two. Others are holding their price levels for now, but in some cases the new season production has not yet started - and that is when the pressure to turn product for cash will become stronger.

So the upbeat mood of the show - where many serious buyers want to buy seafood - has to be tempered with the reality that many won't have credit coverage to afford it, and companies who do sell will survive only by taking on more risk.

Some will undoubtedly not make it. They will experience a catastrophic loss from a customer bankruptcy that is not covered, or they will simply not be able to turn over enough sales to cover expenses. So I left the show with a knot in my stomach over the economic upheavals still to come.

John Sackton, Editor And Publisher
Seafood.com News 1-781-861-1441
Email comments to jsackton@seafood.com

Source: Seafood.com News

LEGISLATIVE RESEARCH REPORT

FEBRUARY 20, 2009



REPORT NUMBER 09.155

WAGES AND THE MINIMUM WAGE IN ALASKA AND OTHER STATES

PREPARED FOR REPRESENTATIVE PETE PETERSEN

BY ROGER WITHINGTON, LEGISLATIVE ANALYST

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You asked for information regarding the minimum wage. Specifically, you wished to know:

- ◆ How many employees in Alaska earn the minimum wage, and how many earn \$10 per hour or less,
- ◆ A brief history of the minimum wage in Alaska,

907 465-3991
907 465-3908 (fax)

Alaska Legislature
Legislative Research Services
w3.legis.state.ak.us/la/research/research.php

State Capitol
Juneau AK 99801

- ◆ Information regarding the minimum wage initiative proposed in 2001,
- ◆ What Alaska's minimum wage would be today if the minimum wage inflation-proofing provisions of HB 56 had not been repealed, and
- ◆ The current minimum wage rates in other states.

WAGES AND OCCUPATIONS IN ALASKA

According to Economist Brian Rae, the Alaska Department of Labor and Workforce Development (DOLWD) produces estimates of the number of workers making less than a certain dollar amount using statistical measures of wage estimates.¹ As a result, precise figures of the number of workers earning the minimum wage and \$10 an hour or less are not available. Mr. Rae notes, however, in 2007 approximately 8,790 workers—or 2.9% of total employment in Alaska—earned less than \$7.75 an hour. Mr. Rea also notes that 22,254 workers—or 7.4% of total employment in Alaska—earned less than \$8.75 an hour. Table 1 provides the estimated number of workers in 2007 earning less than \$7.75 and \$8.75, in each of the major industry categories in Alaska.

¹ Brian N. Rae, Economist, Research and Analysis Section, Alaska Department of Labor and Workforce Development, 907-465-5883.

Table 1: Estimated Employment in Alaska Below Certain Wages by Industry, 2007

Industry	Total Employment	Below \$7.75		Below \$8.75	
		Number	Percent	Number	Percent
Agriculture, Forestry, Fishing and Hunting	361	0	0%	4	1.0%
Mining	13,300	19	0.1%	59	0.4%
Utilities	1,832	8	0.4%	25	1.4%
Construction	17,555	70	0.4%	124	0.7%
Manufacturing	9,885	648	6.6%	1,467	14.8%
Wholesale Trade	6,519	83	1.3%	244	3.7%
Retail Trade	36,006	1,138	3.2%	4,285	11.9%
Transportation and Warehousing	21,623	166	0.8%	631	2.9%
Information	6,964	147	2.1%	304	4.4%
Finance and Insurance	8,969	54	0.6%	174	1.9%
Real Estate and Rental and Leasing	4,885	216	4.4%	564	11.5%
Professional, Scientific, and Technical	12,146	90	0.7%	245	2.0%
Company and Enterprise Management	1,203	3	0.3%	13	1.1%
Administrative and Support and Waste	11,026	220	2.0%	446	4.0%
Educational Services	31,737	1,168	3.7%	1,953	6.2%
Health Care and Social Assistance	36,245	372	1.0%	990	2.7%
Arts, Entertainment, and Recreation	4,066	355	8.7%	884	21.7%
Accommodation and Food Service	26,610	3,440	12.9%	8,309	31.2%
Other Services (except public)	9,425	358	3.8%	987	10.5%
Public Administration	41,561	235	0.6%	546	1.3%
Total Employment	301,918	8,790	2.9%	22,254	7.4%

Notes: This table includes nonfarm wage and salary employment and excludes self-employed workers, fishermen, domestic workers, unpaid family workers, and nonprofit volunteers.

Sources: Brian Rae, Economist, Alaska Department of Labor and Workforce Development, Research and Analysis Section, and U.S. Department of Labor, Bureau of Labor Statistics. These estimates are as of January 20, 2009, and are based on information collected in cooperation with the U.S. Bureau of Labor Statistics (BLS); they have not been reviewed or validated by the BLS. The Research and Analysis Section is responsible for the creation of these estimates. Mr. Rae can be reached at 907-465-5883.

Table 2 provides the average hourly wage and average annual wage for all workers and all major occupational groups in Alaska for 2007. These data are based on information reported to the U. S. Bureau of Labor Statistics (BLS).

Table 2: Average Hourly and Annual Wage by Occupation for Alaska, May 2007

Occupation	Employment	Hourly Mean Wage	Annual Mean Wage
Management	23,620	\$36.02	\$74,910
Business and Financial Operations	9,510	\$29.36	\$61,070
Computer and Mathematical	3,850	\$30.91	\$64,290
Architecture and Engineering	6,600	\$34.85	\$72,490
Life, Physical, and Social Science	6,290	\$26.99	\$56,140
Community and Social Services	5,530	\$20.72	\$43,100
Legal	1,800	\$37.99	\$79,020
Education, Training, and Library	21,380	\$23.19	\$48,230
Arts, Design, Entertainment, Sports, and Media	2,780	\$21.04	\$43,770
Healthcare Practitioner and Technical	13,350	\$36.34	\$75,580
Healthcare Support	6,090	\$16.49	\$34,290
Protective Service	8,590	\$20.05	\$41,710
Food Preparation and Serving Related	22,820	\$11.45	\$23,820
Building and Grounds Cleaning and Maintenance	10,180	\$13.76	\$28,610
Personal Care and Service	11,190	\$13.41	\$27,890
Sales and Related	25,460	\$14.83	\$30,840
Office and Administrative Support	49,310	\$17.02	\$35,410
Farming, Fishing, and Forestry	420	\$18.10	\$37,650
Construction and Extraction	21,990	\$27.09	\$56,350
Installation, Maintenance, and Repair	16,020	\$24.86	\$51,710
Production	12,380	\$19.17	\$39,870
Transportation and Material Moving	22,760	\$21.92	\$45,590
Total - All Occupations	301,920	\$22.00	\$45,770
Notes:	Estimates for detailed occupations do not sum to the totals because the totals include occupations not shown separately. Estimates do not include self-employed workers. Annual wages have been calculated by multiplying the hourly mean wage by 2,080 hours; where an hourly mean wage is not published, the annual wage has been directly calculated from the reported survey data.		
Sources:	These data are from the U.S. Department of Labor, Bureau of Labor Statistics, Occupational Employment Statistics (OES) program, which provides employment and wage estimates for wage and salary workers in 22 major occupational groups and 801 detailed occupations. The OES produces data by occupation for the nation, states, metropolitan areas, metropolitan divisions, and nonmetropolitan areas, and by occupation and industry for the nation. Data are available on the OES homepage at http://www.bls.gov/oes/ . Data extracted on February 12, 2009.		

The BLS calculated the average annual wage by multiplying average hourly wages by a year-round, full-time estimate of 2,080 hours. As you can see, the lowest paid occupational groups were the food preparation and service group (\$11.45 per hour), the personal care and service occupations (\$13.41 per hour), and the building and grounds cleaning and maintenance group (\$13.76 per hour).

In Table 3, we show the occupational breakdown for those workers who earned \$11.00 per hour or less in 2007. As you can see from this table, the lowest paid workers were fast food cooks who earned about \$8.59 per hour.

Table 3: Average Hourly and Annual Wage by Occupation for Workers in Alaska Earning Less Than \$11 Per Hour, May 2007

Occupation	Employment	Hourly Mean Wage	Annual Mean Wage
Cooks, Fast Food	510	\$8.59	\$17,870
Ushers, Lobby Attendants, and Ticket Takers	200	\$9.15	\$19,040
Gaming Change Persons and Booth Cashiers	Not Released	\$9.25	\$19,230
Combined Food Preparation and Serving Workers, Including Fast Food	3,970	\$9.33	\$19,400
Hosts and Hostesses, Restaurant, Lounge, and Coffee Shop	530	\$9.38	\$19,500
Motion Picture Projectionists	30	\$9.40	\$19,540
Amusement and Recreation Attendants	640	\$9.53	\$19,820
Waiters and Waitresses	4,200	\$9.67	\$20,120
Dishwashers	1,290	\$9.69	\$20,160
Counter Attendants, Cafeteria, Food Concession, and Coffee Shop	2,210	\$9.90	\$20,590
Education, Training, and Library Workers, All Other	Not Released	\$10.04	\$20,890
Hotel, Motel, and Resort Desk Clerks	980	\$10.19	\$21,200
Meat, Poultry, and Fish Cutters and Trimmers	3,210	\$10.22	\$21,270
Dining Room and Cafeteria Attendants and Bartender Helpers	570	\$10.42	\$21,670
Packaging and Filling Machine Operators and Tenders	520	\$10.58	\$22,010
Baggage Porters and Bellhops	230	\$10.72	\$22,290
Entertainment Attendants and Related Workers, All Other	90	\$10.75	\$22,360
Parking Lot Attendants	Not Released	\$10.80	\$22,460
Nonfarm Animal Caretakers	340	\$10.95	\$22,770
Notes:	Estimates do not include self-employed workers. Annual wages have been calculated by multiplying the hourly mean wage by 2,080 hours; where an hourly mean wage is not published, the annual wage has been directly calculated from the reported survey data.		
Sources:	These data are from the U.S. Department of Labor, Bureau of Labor Statistics, Occupational Employment Statistics (OES) program, which provides employment and wage estimates for wage and salary workers in 22 major occupational groups and 801 detailed occupations. The OES produces data by occupation for the nation, states, metropolitan areas, metropolitan divisions, and nonmetropolitan areas, and by occupation and industry for the nation. Data are available on the OES homepage at http://www.bls.gov/oes/ . Data extracted on February 18, 2009.		

HISTORY OF THE MINIMUM WAGE

As you may know, the federal Fair Labor Standards Act (FLSA), first passed by Congress in 1938, addresses many employment issues including overtime and the minimum wage. Congress set the first federal minimum wage at \$0.25 per hour.² States could also set their own minimum wages, and in 1959, the first Alaska legislature established the Alaska minimum wage at \$1.50 per hour—at that time, the federal minimum wage was \$1.00 per hour.³ As with the FLSA, Alaska law included several exemptions to coverage by the minimum wage requirement, including farmers, fishermen, domestic help, and public employees.⁴

In 1962, the Alaska legislature amended the minimum wage statute in Alaska to be at least \$0.50 per hour greater than the federal minimum wage, which at that time was \$1.25 per hour.⁵ In 1974, the Alaska legislature again amended minimum wage statute to be "not less than 50 cents an hour greater than the prevailing Federal Minimum Wage Law or \$2.60 an hour, whichever is greater."⁶ In 1990, the legislature included a requirement that school bus drivers be paid a rate of not less than two times the minimum wage.⁷ Table 4 shows the amount of the minimum wage in Alaska from 1959 to the present.

² "Federal Minimum Wage Rates under the Fair Labor Standards Act," Wage and Hour Division, Employment Standards Administration, U. S. Department of Labor, <http://www.dol.gov/esa/minwage/chart.htm>.

³ Section 5, Chapter 171, SLA 1959.

⁴ Section 2, Chapter 171, SLA 1959. According to the U. S. Department of Labor, "The 1938 Act was applicable generally to employees engaged in interstate commerce or in the production of goods for interstate commerce. The 1961 Amendments extended coverage primarily to employees in large retail and service enterprises as well as to local transit, construction, and gasoline service station employees. The 1966 Amendments extended coverage to State and local government employees of hospitals, nursing homes, and schools, and to laundries, dry cleaners, and large hotels, motels, restaurants, and farms. Subsequent amendments extended coverage to the remaining Federal, State, and local government employees who were not protected in 1966, to certain workers in retail and service trades previously exempted, and to certain domestic workers in private household employment."

⁵ Section 4, Chapter 2, SLA 1962.

⁶ Section 1, Chapter 41, SLA 1974.

⁷ Sections 3 & 4, Chapter 12, SLA 1990.

Table 4: The Minimum Wage in Alaska and the Federal Minimum Wage

Year	Alaska	Federal
1959-1962	\$1.50	\$1.00
1963-1967	\$1.75	\$1.25
1968-1974	\$2.10	\$1.60
1975-1978	\$2.80	\$2.30
1979	\$3.40	\$2.90
1980	\$3.60	\$3.10
1981-1990	\$3.85	\$3.35
1991	\$4.30	\$3.80
1992-1996	\$4.75	\$4.25
1997	\$5.25	\$4.75
1998-2002	\$5.65	\$5.15
2003-2006	\$7.15	\$5.15
2007	\$7.15	\$5.85
2008	\$7.15	\$6.55
2009	\$7.15	\$7.25

Notes: Minimum wages are per hour.
The federal minimum wage provisions for covered, non-exempt employees are contained in the Fair Labor Standards Act (FLSA). The Fair Minimum Wage Act of 2007 included phased increases to the federal minimum wage. For work performed on or after July 24, 2009, the federal minimum wage will be \$7.25 per hour. <http://www.dol.gov/dol/topic/wages/minimumwage.htm>.
For 2009, we assume there will be no changes to the Alaska minimum wage rate.
The wages noted in this table may not have been in effect on January 1st of the year noted; however, the rate did take effect at some point during the year.

Source: U.S. Department of Labor, <http://www.dol.gov/esa/WHD/>.

As we note in Table 4, the Fair Minimum Wage Act of 2007 included phased increases to the federal minimum wage rate. Assuming there are no changes to the law, for work performed on or after July 24, 2009, the federal minimum wage will increase to \$7.25 per hour.

INITIATIVE 01MNWG

In 2001, representatives of both private and public sector unions proposed a voter initiative to raise the minimum wage in Alaska to \$7.15 per hour and to provide for annual inflation adjustments, based on 100 percent of the Anchorage Consumer Price Index (CPI).⁸ In addition, the initiative required that in subsequent years, if the minimum wage, as adjusted for inflation, was less than one dollar over the federal minimum wage, the Alaska minimum wage would be set at one dollar over the federal

⁸ "Petition ID: 01MNWG, Bill Increasing Alaska's Minimum Hourly Wage," Alaska Division of Elections. <http://t.gov.state.ak.us/elections/petitions/status.php#01mnwg>. We include a copy as Attachment A.

amount. Backers filed the petition with the Lieutenant Governor's Office on November 29, 2001, and the petition was certified on January 3, 2002, for placement on the 2002 general election ballot.⁹

During the legislative session in 2002, however, Alaska lawmakers passed CSHB 56(FIN), which was "substantially similar" to the petition, so the Lieutenant Governor declared the initiative void and it did not appear on the ballot. The backers of the petition did not challenge the Lieutenant Governor's decision.

The first version of HB 56, however, was substantially different than the petition. House Bill 56 introduced on January 12, 2001, called for a minimum wage of \$6.40 an hour for 2002, and \$6.90 for 2003. The bill ended the requirement that the minimum wage be 50 cents per hour greater than the federal minimum wage at the end of 2001, and did not include the inflation proofing required by the petition.¹⁰

A committee substitute was offered in the House Labor and Commerce Committee that was similar to the petition, except that the inflation adjustment would have been only 50 percent of the Anchorage CPI. The House Finance Committee then submitted its own version of the bill, which was essentially the same as the initiative, including a minimum wage of \$7.15 per hour and the requirement for adjusting the minimum wage for inflation each year based on 100 percent of the Anchorage CPI. In addition, the Finance Committee version included the requirement that the minimum wage each year should be set at either the adjusted minimum wage or \$1.00 over the federal minimum wage, whichever was greater. This version, CSHB 56(FIN), passed the House on March 1, 2002, by a vote of 33-6, with one excused.

CSHB 56(FIN) passed the Senate on reconsideration by a vote of 19-1 on May 16, 2002, after a failed attempt to amend the bill on the floor. The governor signed the bill into law on August 14, 2002.

The following year, the Rules Committee introduced HB 199 at the request of then-Governor Murkowski. This bill removed the inflation-proofing requirement for the minimum wage, with an effective date of September 30, 2003. The bill also deleted the statutory language stipulating that the Alaska minimum wage be at least \$1.00 more than the federal minimum wage. The amount of the minimum wage remained at \$7.15 per hour. The bill passed both chambers—in the House by a vote of 24-12, with two excused, and in the Senate by a vote of 12-8. The governor signed the bill on August 20, 2003.

INFLATION-PROOFING THE MINIMUM WAGE

As we noted above, an inflation-proofing provision was added to the Alaska minimum wage law through the enactment of HB 56 in 2002, which also raised the minimum wage from \$5.65 (which was

⁹ "01MNWG," Petition Status Report, Alaska Division of Elections, <http://www.lt.gov.state.ak.us/elections/petitions/status.php>. We also include a copy of this document as Attachment A.

¹⁰ As a point of interest, during 2001 several other bills were also introduced that addressed the minimum wage. For example, by request of the governor, the House Rules Committee introduced HB 75, which raised the minimum wage and provided for inflation-proofing. The same year, Senator Bettye Davis introduced SB 132 and SB 224. SB 132 raised the minimum wage to \$6.90 per hour, and SB 224 raised the amount to \$1.00 over the federal minimum wage. These bills were referred to the respective Labor and Commerce Committees, where they remained.

50 cents above the federal minimum wage) to \$7.15 per hour.¹¹ The bill, which took effect on January 1, 2003, also instructed the Department of Labor and Workforce Development (DOLWD), by September 30 of each calendar year, to adjust Alaska's minimum wage for inflation.¹² The bill specified that the minimum wage shall be either the most recent minimum wage adjusted for 100 percent of the rate of inflation or \$1 more than the federal minimum wage, whichever is greater. The precise language from HB 56 is as follows.

The department shall, by regulation, not later than September 30 of each calendar year, adjust the minimum wage for inflation, effective for the following calendar year. The minimum wage shall be either the most recent wage adjusted for 100 percent of the rate of inflation based on the Consumer Price Index for all urban consumers for Anchorage, Alaska, prepared by the United States Bureau of Labor Statistics or \$1 more than the federal minimum wage, whichever is greater. The department shall round the adjusted minimum wage up to the nearest one cent. The adjusted wage shall apply to work performed beginning on January 1 through December 31 of the year for which it is effective.

In 2003, however, House Bill 199 removed the annual minimum wage adjustment provisions implemented by HB 56. Because HB 199 passed prior to October 1, 2003, no adjustments have been made to the minimum wage because of HB 56.

As you may know, the annual rate of inflation for each calendar year is not available until January of the following year. Since the inflation-proofing provisions of HB 56 required the minimum wage be adjusted by October 1st of each year, we adjusted the minimum wage using the previous two semi-annual Anchorage Consumer Price Index (CPI) figures.¹³ Based on our calculations, if the minimum wage had been adjusted for inflation each year since October 2003, the current minimum wage would be \$8.46 per hour.

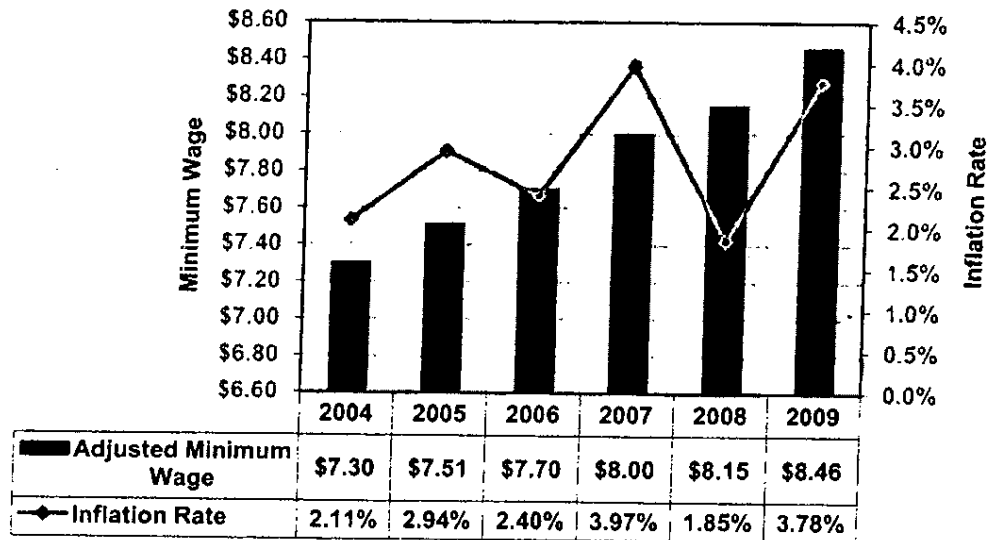
In Figure 1 we provide the inflation rate and the inflation adjusted minimum wage for each year since 2003.

¹¹ Prior to the enactment of HB 56, Alaska Statute 23.10.065(a), "Minimum wages," stated, "Except as provided under (b) of this section, an employer shall pay to each employee wages at a rate of not less than 50 cents an hour greater than the prevailing Federal Minimum Wage Law for hours worked in a pay period, whether the work is measured by time, piece, commission, or otherwise. An employer may not apply tips or gratuities bestowed upon employees as a credit toward payment of the minimum hourly wage required by this section. Tip credit as defined by the Fair Labor Standards Act of 1938 as amended does not apply to the minimum wage established by this section."

¹² Based on our cursory review of state minimum wage information provided by the U.S. Department of Labor, Employment Standards Administration, Wage and Hour Division, Arizona, Colorado, Florida, Missouri, Montana, Oregon, Vermont, and Washington currently have an inflation adjustment provision in their respective minimum wage laws.

¹³ In Alaska, the U.S. Department of Labor, Bureau of Labor Statistics (BLS) only calculates the consumer price index for Anchorage.

Figure 1: The Inflation Rate and the Inflation-Adjusted Minimum Wage, 2004 through 2009



Notes: The 2003 minimum wage was \$7.15. We used this figure to base all subsequent adjustments. HB 56 required the Department of Labor and Workforce Development (DOLWD) to calculate an inflation adjusted minimum wage by October 1st of each year. This adjusted minimum wage was to go into effect January 1st of the following calendar year. Because HB 199, which removed the inflation-adjustment provision, passed prior to October 1, 2003, the DOLWD did not calculate inflation-related minimum wage increases.

The Inflation rate is based on the Anchorage Consumer Price Index (CPI), which is the rate used to adjust the minimum wage. Since the annualized CPI rate for each year is not available until January of the following year, and because the minimum wage was to be adjusted by October 1st of each year, we used the CPI for the first half of one year and the second half of the previous year, divided by two to get an average, and then calculated the percentage difference from the year before. This is the rate we applied to the minimum wage in order to make the adjustment for inflation.

Sources: Consumer Price Index information is from the Alaska Department of Labor and Workforce Development, <http://almis.labor.state.ak.us/?PAGEID=67&SUBID=198>.

ALASKA'S MINIMUM WAGE COMPARED TO OTHER STATES

In Table 5 we compare state minimum wage rates in 2003 and 2009; we also include the federal Fair Labor Standards Act (FLSA) rate. As you can see from Table 5, Alaska had the highest minimum wage of any state in 2003: \$7.15—\$0.14 greater than the second ranked state of Washington, and \$2.00 more than the federal minimum wage rate of \$5.15. By the beginning of 2009, however, Alaska, with its wage rate still at \$7.15, ranked 21st, \$1.40 behind the highest ranked state, Washington, but still ahead of the federal rate of \$6.55 by \$0.60. As you will note, we include only the states that have a higher minimum wage rate than the federal rate in Table 5.

Table 5: State Minimum Wage Rates, 2003 and 2009

2003			2009		
Rank	Jurisdiction	Minimum Wage	Rank	Jurisdiction	Minimum Wage
1	Alaska	\$7.15	1	Washington	\$8.55
2	Washington	\$7.01	2	Oregon	\$8.40
3	Connecticut	\$6.90	3	Vermont ^(c)	\$8.06
3	Oregon	\$6.90	4	California	\$8.00
5	California	\$6.75	4	Connecticut	\$8.00
5	Massachusetts	\$6.75	4	Massachusetts	\$8.00
7	Hawaii	\$6.25	7	Illinois ^(a)	\$7.75
7	Maine	\$6.25	8	District of Columbia	\$7.55
7	Vermont ^(c)	\$6.25	9	New Mexico	\$7.50
10	Delaware	\$6.15	10	Michigan ^(c)	\$7.40
10	District of Columbia	\$6.15	10	Rhode Island	\$7.40
10	Rhode Island	\$6.15	12	Ohio ^(f)	\$7.30
13	Federal (FLSA)	\$5.15	13	Colorado	\$7.28
			14	Arizona	\$7.25
			14	Hawaii	\$7.25
			14	Iowa	\$7.25
			14	Maine	\$7.25
			14	New Hampshire	\$7.25
			14	West Virginia	\$7.25
			20	Florida	\$7.21
			21	Alaska	\$7.15
			21	Delaware	\$7.15
			21	New Jersey	\$7.15
			21	New York	\$7.15
			21	Pennsylvania	\$7.15
			26	Missouri	\$7.05
			27	Montana ^(e)	\$6.90
			28	Nevada	\$6.85
			29	Federal (FLSA)	\$6.55

Notes: This table reflects requirements that were in effect as of January 1, 2009. The minimum wage in some state will increase later in 2009. In 2003, the minimum wage in Arkansas^(a), Colorado, Georgia^(b), Idaho, Illinois^(a), Indiana^(c), Iowa, Kentucky, Maryland, Michigan^(c), Minnesota^(d), Missouri, Montana^(e), Nebraska^(a), Nevada, New Hampshire, New Jersey, New York, North Carolina, North Dakota, Oklahoma^(g), Pennsylvania, South Dakota, Texas, Utah, Virginia, West Virginia, Wisconsin, and Wyoming was \$5.15 per hour. The minimum wage in New Mexico and Ohio^(f) was \$4.25 per hour. The minimum wage in Kansas was \$2.65 per hour. There was no state minimum wage law in Alabama, Arizona, Florida, Louisiana, Mississippi, South Carolina, and Tennessee.

In 2009, the minimum wage in Idaho, Indiana^(c), Kentucky, Maryland, Nebraska^(a), North Carolina, North Dakota, Oklahoma^(g), South Dakota, Texas, Utah, and Virginia is \$6.55 per hour. The minimum wage in Wisconsin is \$6.50. The minimum wage in Arkansas^(a) is \$6.25. The minimum wage in Minnesota^(d) is \$6.15. The minimum wage in Georgia^(b) and Wyoming is \$5.15 per hour. The minimum wage in Kansas is \$2.65 per hour. There is no state minimum wage law in Alabama, Louisiana, Mississippi, South Carolina, and Tennessee.

^(a) Rates applicable to employers of four or more.
^(b) Rates applicable to employers of six or more. In West Virginia, applicable to employers of six or more in one location.
^(c) Rates applicable to employers of two or more.
^(d) Minnesota sets a lower rate for enterprises with annual receipts of less than \$500,000 (\$4.90 in 2003 and \$5.25 in 2008).
^(e) Montana sets a lower rate for businesses with gross annual sales of \$110,000 or less (\$4.00 in 2003 and 2008).
^(f) Ohio set a lower rate for employers with gross annual sales from \$150,000 to \$500,000 (\$3.35 in 2003) and for employers with gross annual sales under \$150,000 (\$2.50 in 2003).
^(g) Oklahoma sets a lower rate for employers of fewer than 10 full-time employees at any one location and for those with annual gross sales of less than \$100,000 (\$2.00 in 2003 and 2008).

Source: U.S. Department of Labor, Office of State Standards Programs, Wage and Hour Division, <http://www.dol.gov/ovets/wfd/state/stateMinWage.htm>

I hope you find this information to be useful. Please do not hesitate to contact us if you have questions or need additional information.

Attachment A

Petition ID: 01MNWG, Bill Increasing Alaska's Minimum Hourly Wage, Posted
10/24/01, Alaska Division of Elections,
<http://www.ltgov.state.ak.us/elections/petitions/status.php>

Alaska Elections Petition Status

Page 1 of 1

AG's File Number: 663-01-0147

Primary Sponsors: Jim Sampson, Mano Frey, and Bruce Ludwig

The petition application was received in the Lieutenant Governor's Office on February 15, 2001. A copy of the application and signatures were sent to the Department of Law and Division of Elections on February 16, 2001 for review and verification of signatures. The Division of Elections determined that there were a sufficient number of signatures on February 27, 2001. Legal review was received from the Department of Law on March 9, 2001. The application was certified on March 12, 2001. Petition booklets were distributed to the initiative committee on April 5, 2001. The initiative petition was filed on November 29, 2001. The Division of Elections verified the signatures of 30,475 qualified voters. The petition was determined to be properly filed and was certified on January 3, 2002 for placement on the 2002 general election ballot. On May 24, 2002, Lieutenant Governor Ulmer determined, in concurrence with the Attorney General's Office, that the Alaska Legislature passed a law, CS HB 56(FIN), which is substantially similar in nature to the initiative. Consequently, the initiative petition is void and will not appear on the ballot (AS 15.45.210).

Under Alaska Statute 15.45.240, within 30 days of the date on which notice of this determination of similarity was given, any person "aggrieved by a determination made by the Lieutenant Governor" may bring action in the superior court to have the determination reviewed. The deadline for action is June 24, 2002. The deadline has passed for challenge of the Lieutenant Governor's earlier actions on this initiative.

Click here for the 61MNWG proposed bill language as provided by the sponsors.