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THE INDIANA GENERAL ASSEMBLY

Higher minimum wage debated

House panel OKs raising rate to \$7.50

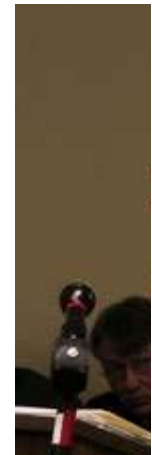
By Lesley Stedman Weidenbener
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The Courier-Journal

INDIANAPOLIS -- Indiana's minimum wage would increase to \$7.50 an hour by Sept. 1, 2008, under a bill approved 7-5 along party lines yesterday by a House committee.

Democrats, in control of the House for the first time in two years, pushed the bill past minority Republicans who questioned the notion of having a minimum wage at all.

But advocates, including faith-based organizations, social-service providers and labor groups, told members of the Labor and Employment Committee that an increase in the minimum wage would help pull thousands of Hoosiers out of poverty.

"This is a matter of fairness," said Patti O'Callaghan, president of the Indiana Coalition for Human Services. "No person who works should be impoverished."



Rep. John Danaher said the minimum wage bill is "new," he said, adjusting." (PT

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House Bill 1027 would phase in an increase of \$2.35 per hour from the state's current minimum wage of \$5.15. It would make the state minimum higher than

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the wage under discussion by Congress.

The bill moves now to the House Ways and Means Committee and then the full House, where it is expected to pass. But it could get bottled up, or significantly amended, in the Republican-controlled Senate, where the idea is less popular.

Yesterday the committee debate and public testimony became a battle of statistics and experts, as supporters produced data to defend the increase as essential to the plight of poor workers and opponents decried the bill as a threat to the economy and a benefit largely to teenagers.

But the bill's author, Rep. John Day, D-Indianapolis, said the proposal "is not rocket science, not something new."

"This is an old law we are simply adjusting," he said.

Indiana established its minimum wage law in 1965, and it has been increased three times -- in 1977, 1990 and 1998.

Currently, the \$5.15 minimum wage mirrors the federal rate, and it applies only to smaller companies that don't engage in interstate commerce.

If HB 1027 passes, however, and the rate becomes higher than the federal wage, it would apply to all companies doing business in Indiana.

Rob Fusselman, owner of Coffee D'Vine in Huntington, told the committee that would be a problem. He employs 15 workers, all of them teenagers or college students, who work for an average of \$6.15 per hour.

An increase in the wage to \$7.50 would cost him \$24,000 annually, he said, and cause him to lay off some workers, raise prices or lose substantial profit. The latter, he said, means he would be earning far less than the minimum wage.

"Is that fair?" he asked. "We need to improve lifestyles, but we need to do that by providing people more education, training and help with child care."

James Sherk, a policy analyst for the Heritage Foundation in Washington, D.C., told the committee that increasing the minimum wage doesn't work because employers forced to pay higher rates will insist on more experienced workers, leaving those who qualify only for an entry-level job without options.

"It hurts the very workers you're trying to help," Sherk said.

Labor groups, though, told the committee that the current minimum wage is so low that workers would need two full-time jobs at that rate just to get above the federal poverty level.

Glenn Tebbe, executive director of the Indiana Catholic Conference, told the committee that increasing the minimum wage "is a matter of justice." According to the U.S. Census, he said, nearly half of those earning the minimum wage are heads of households.

"Wages need to be adequate to support the workers and his or her family," Tebbe said.

Reporter Lesley Stedman Weidenbener can be reached at (317) 444-2780.



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good job rep. john day! people need a living wage!!

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why not make it \$15 per hr.?Does anyone know how much of a raise union workers get when minimum wages go up?

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