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## GENERAL ASSEMBLY

# \$7.50 minimum-wage plan advances in party-line vote

By Niki Kelly  
The Journal Gazette

INDIANAPOLIS – A House panel took the first step toward raising Indiana's minimum wage Thursday by passing legislation that would bring the state level to \$7.50 an hour by September 2008.

The Democratic members of the House Labor and Employment Committee sent House Bill 1027 to the floor for consideration with a 7-5 party-line vote.

Indiana's minimum hourly wage of \$5.15 – the same as the federal standard – hasn't been raised in a decade. Meanwhile, 30 other states have increased their minimum wage above that level, and Congress is considering doing the same.

Both President Bush and Gov. Mitch Daniels have expressed support for a reasonable increase.

Smaller employers who aren't covered under the federal guideline are covered by the state law.

The Indiana bill would raise Indiana's minimum wage in a three-step process, going first to \$6 in September, \$6.75 in March 2008 and \$7.50 in September 2008.

Hours of testimony Thursday were highlighted by a Huntington businessman who said such a move would force him to reduce his number of employees, cut his own pay or increase prices.

Ron Fusselman, who owns Coffee D'Vine in Huntington, said he has 16 employees, mainly students working their way through college and using the money to pay for books or car insurance, making an average wage of \$6.15. If the state's minimum wage goes up, he said, it would cost him \$24,000 in increased labor costs.

"I have seven kids of my own, and that takes my income down and cuts my profit," Fusselman said, noting he works 65 to 80 hours a week and does not make minimum wage himself.

He attended the hearing at the urging of Rep. Dan Leonard, R-Huntington.

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"After looking at the numbers and the situation it could put us in, it was something I was passionate about," Fusselman said.

He was the only Hoosier directly affected by the bill to testify, with the rest of the time taken up by lobbyists for various labor, business and social service organizations.

Patti O'Callaghan, president of the Indiana Coalition for Human Services, said the minimum wage is at its lowest point in 50 years when adjusted for inflation and has 43 percent less buying power than in 1968.

"Increasing the minimum wage is a matter of fairness," she said, noting it could help 143,000 Hoosier workers who make between the minimum wage and \$7.50.

Supporters were peppered with questions from Republicans who opposed the bill, including several who wanted to debate the public policy of having a minimum wage, which has been the law in the nation since 1938.

"There are some situations where government should have a minimum," said Rep. John Day, D-Indianapolis, the author of the bill. "We're not asking for the sky here. This is not rocket science. This is not something new – just an old law we are simply adjusting."

Meanwhile, Rep. Mike Ripley, R-Monroe, started an uncomfortable exchange with a lobbyist for the Indiana Catholic Conference. Ripley challenged the Catholic Church's support based on a parable from the Bible, and interrupted the lobbyist several times when he tried to respond.

Rep. Matt Bell, R-Avilla, took a more empirical approach, tossing statistics and famous quotations at the committee. He said 46 percent of minimum-wage workers in Indiana are dependent children, and he wondered why proponents would advocate a higher wage for suburban teenagers.

Opponents also stressed that raising the minimum wage could cause employers to cut jobs.

But John Livengood, president of the Restaurant and Hospitality Association of Indiana, was perhaps the most practical. He said he believes a federal increase in the minimum wage is destined to become reality and the state should simply tie its bill to the federal standard to ease confusion for small businesses.

The state's wage would go up in different increments and at slightly different times than the federal proposal.

"It's going to happen," Livengood said. "Let's make it so there is less confusion in the marketplace."

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