

# Sponsor Statement for HB 56

## Minimum Wage

### *An Act relating to minimum wages; and providing for an effective date.*

Dating back to 1938 when the United States established the [Fair Labor Standards Act](#), Americans have believed that it is entirely appropriate for the government to establish a minimum wage floor for workers. Immediately following statehood, Alaska statute echoed that conviction by declaring its own policy in the preamble of the Wage and Hour Act of 1959:

It is the public policy of the state to:

- (1) establish minimum wage and overtime compensation standards for workers at levels consistent with their health, efficiency, and general well-being, and
- (2) safeguard existing minimum wage and overtime compensation standards that are adequate to maintain the health, efficiency, and general well-being of workers against unfair competition of wage and hour standards that do not provide adequate standards of living.

Over the years, Alaska has lost sight of that commitment to its lowest paid workers and the time is now to correct this. [HB 56](#) changes to Alaska's minimum wage statute so that it more adequately provides for a fair minimum wage to Alaska's lowest paid workers. Last year, thousands of Alaskans voiced their support for raising the floor as well as adding a cost of living adjustment.

The Alaska Legislature and the overwhelming majority of Alaskan residents are in agreement with the following findings:

- An increase in the minimum wage will help ensure a minimum standard of living for the health, safety, and well-being of every Alaskan.
- The Legislature notes that currently, Washington, Oregon and California have surpassed Alaska in providing for a minimum standard of living for its workers.
- Finally, the Legislature finds that for a minimum wage to be fair, it must be indexed to the cost of living to help low-income workers keep pace with inflation.

This bill amends section 2 (a) so that

- effective January 1, 2003, an employer shall pay each employee wages at a rate of not less than \$7.15 an hour, for hours worked in a pay period.
- As well, each year, not later than September 30, the Department shall adjust the minimum wage for inflation based upon the CPI of Anchorage, or \$1.00 more than the federal minimum wage, whichever is greater effective the following year.