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SENATOR LANDIS: (Microphone malfunction) Eight fifty with benefits, nine fifty-seven without.

SENATOR D. PEDERSON: Yes, that's correct; \$8.50...\$8.70 if benefits, and \$9.57 without. Thank you. Now there are a couple of factors that are involved in this that have concerned me. One is to specify a specific wage. The second is to clarify the issue of healthcare benefits and, third, the income increase or decrease, depending upon the Nebraska state average. LB 758 was proposed originally by the Governor and it called for a differential between rural areas of the state, that is counties less than 100,000, and the more urban, the counties in excess of 100,000; called for a differential in wages. And how was that differential determined in LB 958 (sic)? It was determined using as a criteria the federal minimum wage, and the proposal was that in the smaller counties that 140 percent of that federal minimum wage would be the appropriate amount to call as a base for salary, and that for those above it would be 160 percent of the federal wage. Now I have talked to a number of economic developers throughout the state, and there is a belief, and I think it's founded on who they talked to and what responses they've received, and that is that there is a difference in the rural areas versus the urban areas as far as wages are concerned, and that to set a similar wage for both urban and rural would be very much to the detriment of the rural area. Because if they're going to be required to pay a certain minimum wage, they can just as easily go to the city, but the cost of living is less in the more rural areas and the wage scale is lower in those areas. So we're trying not to chill off businesses from coming to the more rural areas. So why do we use this...why do we want to use the federal minimum wage rather than the state average? Well, the federal minimum wage gives you a specific dollar amount that you can plan on, and the state proposal that is in the committee amendment calls for a specific dollar amount, and then an increase if there is a change in the state average. But I think that's what bothers my economic developers as much as anything is that potential increase in that. Because if you take the state average, for example, suppose there are some large businesses that pay very high salaries that move to the Omaha area, then that transcends throughout the state and can markedly bring it up, whereas if