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STATES PUSH BACK AGAINST CITIES' MINIMUM-WAGE BOOSTS

Legislatures try to strip municipalities of the power to set higher pay floors

By Mark Peters
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The nascent push by cities to raise their minimum wage is meeting resistance in a growing number of state capitols, opening a new front in the battle over the pay floor for the nation's lowest-paid workers.

Cities including Los Angeles, St. Louis and Birmingham, Ala., have set local minimum wages, arguing the federal and state floors are too low for many workers in more urban areas. But states are moving to strip cities of the power to establish their own rates, citing businesses' concerns over a patchwork of wage levels and the potential for higher city wages to affect pay statewide.

"It is not an us versus them scenario. It is a state issue," said Alabama State Rep. David Faulkner, a Republican, who introduced a measure to prohibit cities from setting a minimum wage. "I don't believe anyone anticipated cities would start introducing their own minimum wages."

For much of its 75-year history, the minimum wage was determined by the federal government. But as increases in the federal wage have stalled, first states, and more recently cities, have started to set higher salary floors to keep pace with inflation. The fights are pitting Republicans, who control a majority of state capitols, against Democrats and allies in organized labor who dominate politics in many urban areas.

The federal government last raised the minimum wage of \$7.25 an hour in 2009 as part of a three-step increase passed by Congress in 2007. President Barack Obama has advocated for raising the pay floor in the face of slow wage growth and encouraged states and cities to act on their own. Congressional Republicans have blocked his efforts to boost the federal minimum wage, arguing such an increase would restrain job growth and hurt the overall economy.

Last year, Seattle passed an ordinance to ratchet up its minimum wage to \$15 an hour, while Chicago put the wage floor on a path to \$13 an hour. New York could be next, with Democratic Gov. Andrew Cuomo earlier this month proposing a \$15-an-hour minimum wage statewide. New York City isn't allowed to set its own minimum wage because of a decades-old state court ruling.

"The big blue cities have been very aggressive in pushing the minimum wage," said Jack Mozloom, a spokesman for National Federation of Independent Business, which supports state-level action to prohibit local pay rules.

St. Louis and Kansas City in recent months passed local minimum-wage bumps, arguing Missouri's minimum wage rate of \$7.65 an hour leaves working families living in poverty. A recent report commissioned by Democratic Gov. Jay Nixon on how to respond to the root causes of racial unrest in the St. Louis suburb of Ferguson, Mo., recommended a minimum-wage increase among a series of economic policies.

"Kansas City and St. Louis are taking a stand and saying this is what is needed," said St. Louis Alderman Shane Cohn, a Democrat. "An individual living off \$7.65 an hour can't survive—let alone a family."

But last week, lawmakers at the capitol in Jefferson City enacted legislation that prohibits St. Louis, Kansas City and other communities from setting minimum wages, overriding a veto by Mr. Nixon.

In St. Louis, the future of the city policy passed last month to increase the minimum wage to \$11 an hour by 2018 remains unclear, given a lawsuit by businesses to block the higher salary floor. The Kansas City minimum wage is seen as dead following the override by the legislature. It hung in limbo after being passed by the city council as some residents petitioned for a citywide vote to repeal the increase, while others sought a similar vote to raise the wage floor even higher.

In Montana, Gov. Steve Bullock, a Democrat, vetoed legislation passed earlier this year by the Republican-controlled Legislature that prohibited local minimum wages. In Alabama, state lawmakers debated similar legislation after Birmingham's city council approved raising the minimum wage in the state's largest city to \$10.10 an hour over the next two years. The bill was shelved earlier this month, but Mr. Faulkner said he would reintroduce it early next year and expects the legislation to pass, blocking the first wage hike in Birmingham set for next summer.

In the past year, both Michigan and Rhode Island passed increases to their state minimum wages but also enacted laws barring cities from setting their own rates. Rhode Island countered a push in Providence to increase the minimum wage for hotel workers to \$15 an hour.