

State legislature compromises on minimum wage increase

Written by By Cody Begaye Sun Correspondent
Friday, 29 March 2019 05:47



Increase not tied to cost of living INDEX; TIPPED wages remain

The debate to raise the minimum wage of hourly employees across New Mexico concluded towards the end of the state legislature's first session, with House and Senate conferees reaching a compromise.

As a result of the compromise, the minimum wage in New Mexico will increase from \$7.50 an hour to \$12 an hour over a four-year period. According to the Gallup McKinley-County Chamber of Commerce, the schedule calls for the following increases and dates:

\$9 an hour, starting January 1, 2020

\$10.50 an hour, starting January 1, 2021

\$11.50 an hour, starting January 1, 2022

\$12 an hour, starting January 1, 2023

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In addition, these increases will not be indexed to a consumer price index factor. The minimum wage for tipped employees will rise to \$3 an hour over a four-year span, and those employees will be able to keep the tips they earn while on the clock.

Student workers will receive a minimum wage of \$8.50 an hour. According to Marie Chioda, manager of the Rocket Café, students' employment could be negatively affected if the minimum wage is tied to the cost of living. She says a student's lack of experience would mean they would not qualify for such a wage and local businesses could not hire them.

She added that it could also mean servers would have to forfeit their tips if the minimum wage was tied to the cost of living.

The Senate approved the conference report early March 15, with a House approval coming shortly thereafter with a vote of 42-23.

Conferees for the House included Reps. Miguel Garcia, D-Bernalillo, Eliseo Alcon, D-Cibola and McKinley, and Tim Lewis, R-Sandoval.

Senate conferees included Sens. Clemente Sanchez, D-Cibola, Socorro, McKinley and Valencia; Sen. John Arthur Smith, D-Dona Ana, Hidalgo, Luna and Sierra; and Sen. James White, R-Bernalillo, Sandoval, Santa Fe and Torrance.

Gallup-McKinley Chamber of Commerce CEO Bill Lee said March 19, that the compromise does cover most of what was previously discussed with the *Sun* about the Chamber's intent for a minimum wage increase, specifically tying the increases to Consumer Price Index, implementing the increase in July, and maintaining tipped wages.

"We feel the Chamber helped businesses win on all three of those issues in the compromise that was reached," he said.

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But, as with most compromises, there were some items that the Chamber was not happy with, Lee added.

“The Chamber thought an acceptable threshold for a minimum wage increase should stop at \$11 an hour,” he said. “Unfortunately, the compromise has the wage rate topping out at \$12 per hour by 2023.”

However, the increases are gradual and allow businesses and organizations time to plan and prepare for them, Lee said.

Now, Lee said, the Chamber will wait to see what impact the increases have in the long term. He added that the Chamber will continue to advocate for a stronger, friendlier business climate in New Mexico. Such an environment will hopefully soften the blow of an increased minimum wage.

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