

1 TO THE HONORABLE SENATE:

2 The Committee on Economic Development, Housing and General Affairs to  
3 which was referred Senate Bill No. 40 entitled “An act relating to increasing  
4 the minimum wage” respectfully reports that it has considered the same and  
5 recommends that the bill be amended by striking out all after the enacting  
6 clause and inserting in lieu thereof the following:

7 Sec. 1. 21 V.S.A. § 384 is amended to read:

8 § 384. EMPLOYMENT; WAGES

9 (a) An employer shall not employ any employee at a rate of less than ~~\$9.15.~~  
10 ~~Beginning January 1, 2016, an employer shall not employ any employee at a~~  
11 ~~rate of less than \$9.60. Beginning January 1, 2017, an employer shall not~~  
12 ~~employ any employee at a rate of less than \$10.00. Beginning on January 1,~~  
13 ~~2018, an employer shall not employ any employee at a rate of less than \$10.50,~~  
14 ~~and beginning. Beginning on January 1, 2019, an employer shall not employ~~  
15 ~~any employee at a rate of less than \$11.10. Beginning on January 1, 2020, an~~  
16 ~~employer shall not employ any employee at a rate of less than \$11.75.~~  
17 Beginning on January 1, 2021, an employer shall not employ any employee at  
18 a rate of less than \$12.50. Beginning on January 1, 2022, an employer shall  
19 not employ any employee at a rate of less than \$13.25. Beginning on January  
20 1, 2023, an employer shall not employ any employee at a rate of less than  
21 \$14.10. Beginning on January 1, 2024, an employer shall not employ any

1 employee at a rate of less than \$15.00, and on each subsequent January 1, the  
2 minimum wage rate shall be increased by five percent or the percentage  
3 increase of the Consumer Price Index, CPI-U, U.S. city average, not seasonally  
4 adjusted, or successor index, as calculated by the U.S. Department of Labor or  
5 successor agency for the 12 months preceding the previous September 1,  
6 whichever is smaller, but in no event shall the minimum wage be decreased.  
7 The minimum wage shall be rounded off to the nearest \$0.01. An employer in  
8 the hotel, motel, tourist place, and restaurant industry shall not employ a  
9 service or tipped employee at a basic wage rate less than one-half the minimum  
10 wage. As used in this subsection, “a service or tipped employee” means an  
11 employee of a hotel, motel, tourist place, or restaurant who customarily and  
12 regularly receives more than \$120.00 per month in tips for direct and personal  
13 customer service. If the minimum wage rate established by the U.S.  
14 government is greater than the rate established for Vermont for any year, the  
15 minimum wage rate for that year shall be the rate established by the U.S.  
16 government.

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1       Sec. 2. CHILD CARE FINANCIAL ASSISTANCE PROGRAM; STATE  
2                   PLAN

3           To the extent funds are appropriated, the Commissioner for Children and  
4           Families shall amend the Department for Children and Families' federal Child  
5           Care and Development Fund State Plan to:

6                   (1) adjust the sliding scale of the Child Care Financial Assistance  
7           Program benefit to correspond with each minimum wage increase required  
8           pursuant to this act to ensure that the benefit percentage at each new minimum  
9           wage level remains the same as the percentage applied under the former  
10          minimum wage; and

11                   (2) adjust the market rate used to inform the fee scale in a manner that  
12          offsets the estimated increased cost of child care in Vermont resulting from the  
13          increase in the minimum wage required pursuant to this act.

14       Sec. 3. MINIMUM WAGE; ADJUSTMENT FOR INFLATION; REPORT

15           On or before January 15, 2023, the Legislative Council and the Joint Fiscal  
16          Office shall submit a written report to the House Committee on General,  
17          Housing, and Military Affairs and the Senate Committee on Economic  
18          Development, Housing and General Affairs regarding potential mechanisms  
19          for indexing the minimum wage established pursuant to 21 V.S.A. § 384 to  
20          inflation after 2024. In particular, the report shall:

- 1           (1) identify and examine mechanisms that other jurisdictions use to  
2           index their minimum wages to inflation and the potential benefits and  
3           disadvantages of each mechanism; and  
4           (2) identify and examine any alternative mechanisms to index the  
5           minimum wage to inflation, including alternative measures of inflation, and the  
6           potential benefits and disadvantages of each mechanism.

7           Sec. 4. EFFECTIVE DATE

8           This act shall take effect on July 1, 2018.

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12           (Committee vote: \_\_\_\_\_)

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Senator \_\_\_\_\_

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FOR THE COMMITTEE