

**Summary of S.23 as Recommended by House General:  
An Act Relating to Increasing the Minimum Wage**

Sec. 1. - Amends 21 V.S.A. § 384 – Employment; Wages

- Increases minimum wage as follows:

<b>S.23 Minimum Wage Path</b>		
	<b>Nominal Amount in S.23</b>	<b>Nominal Amount Current Law</b>
<b>2019</b>	\$10.78	\$10.78
<b>2020</b>	\$11.50	\$11.02
<b>2021</b>	\$12.25	\$11.26
<b>2022</b>	\$13.10	\$11.51
<b>2023</b>	\$14.05	\$11.78
<b>2024</b>	\$15.00	\$12.04

- Adds subdivision (e), which clarifies that tips are the property of the employee who receives them.
  - Tipped employees can still pool their tips; and
  - An employer can set up a tip-pool between tipped and non-tipped employees provided it pays the tipped employees at least \$7.25/hour (federal min. wage).

Sec. 2. – Amends 21 V.S.A. § 383 - Definitions

- Amends exclusion of secondary school students from minimum wage law to clarify that the exclusion only applies to students under 18 years of age working during the school year.
  - Exclusion does not apply to the break between school years, so students are covered by VT MW law during summer break and by federal MW during school year.
- Adds a definition of tips that is necessary for the tip pooling language added in Sec. 1.
  - Tip is defined as a gratuity that is voluntarily left by a customer for an employee. Does not include mandatory service charges.

Sec. 3. Child Care Financial Assistance Program

- Language mirroring H.531 as it passed the House.
- Adjusts the sliding fee scale for families to provide greater benefits and to rebase the market rate for preschool and school age children participating in CCFAP.

#### Sec. 4. Amends 33 V.S.A. § 3512

- Adds a new subdivision (a)(4) that provides for ongoing adjustments to the sliding fee scale and market rate for CCFAP that will correspond to inflationary increases in the minimum wage for 2025 and beyond.

#### Sec. 5. Increases for Employees of Certain Medicaid-Participating Providers; Appropriation

- Provides for an increase in Medicaid reimbursement rates of \$3,305,646.00 in fiscal year 2020 to enable providers to pay their employees the increased minimum wage and mitigate wage compression.
  - Includes \$874,894.00 from General Fund, \$1,021,691.00 from federal funds, and \$650,000 in estimated State savings plus related federal funds that are reallocated.
- Requires DVHA to report to Joint Fiscal Committee by 11/15/19 regarding the adequacy of the funding and whether additional amounts need to be appropriated for FY 2020.

#### Sec. 6. Increases for Employees of Certain Medicaid-Participating Providers; Projections; Report

- Requires Sec. of Human Service to report by 12/1/19 regarding projected costs for FY 2021, 2022, 2023, and 2024 of increasing reimbursement rates to all Medicaid providers as needed to enable providers to pay their employees the increased minimum wage and mitigate wage compression.

#### Sec. 7. – Minimum Wage; Adjustment for Inflation; Report

- Requires Office of Legislative Council and Joint Fiscal Office to prepare a report by 1/15/23 regarding potential mechanisms for indexing the minimum wage for inflation.
  - Does not change current CPI inflation adjustment in the statute but will provide information to allow Legislature to determine if it should change.

#### Sec. 8. – Tipped and Student Minimum Wage Study Committee; Report

- Study Committee to look at modifying the tipped employee base wage and eliminating the subminimum wage for secondary school students working during the school year.
  - Will examine potential effects of increasing or eliminating the tipped minimum wage, as well as separating it from the standard minimum wage so that it can be fixed at a specific rate or increased more slowly.
  - Report is due by 12/15/19.

### Sec. 9. – Minimum Wage for Agricultural Workers; Working Group; Report

- Working group to look at the overlapping State and federal wage and hour laws for agricultural workers, identify issues created by those laws, and examine possible methods of addressing those issues that have been employed by other states.
  - Report is due by 12/15/19.

### Sec. 10. Legislative Council; Draft Legislation

- Directs the Office of Legislative Council to work with the Department of Labor to prepare a draft bill amending Vermont’s wage and hour laws to make technical corrections and identifying obsolete sections that may require substantive amendments.

### Sec. 11. Effective Dates

- Minimum wage definition amendments take effect on January 1, 2020.
- The remaining provisions take effect on July 1, 2019.