

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Appropriations to which was referred Senate Bill No. 23  
3 entitled “An act relating to increasing the minimum wage” respectfully reports  
4 that it has considered the same and recommends that the House propose to the  
5 Senate that the bill be amended as recommended by the Committee on  
6 General, Housing, and Military Affairs and be further amended as follows:

7 First: In Sec. 1, 21 V.S.A. § 384, by striking out subsection (a) in its  
8 entirety and inserting in lieu thereof a new subsection (a) to read as follows:

9 (a)(1) ~~An~~ Except as otherwise provided pursuant to subdivision (B) of this  
10 subdivision (a)(1), an employer shall not employ any employee at a rate of less  
11 than \$9.15. Beginning on January 1, 2016, an employer shall not employ any  
12 employee at a rate of less than \$9.60. Beginning on January 1, 2017, an  
13 employer shall not employ any employee at a rate of less than \$10.00.  
14 Beginning on January 1, 2018, an employer shall not employ any employee at  
15 a rate of less than \$10.50, and beginning \$10.78. Beginning on January 1,  
16 2019 2020, the minimum wage rate shall be increased by two and one quarter  
17 times the percentage increase of the Consumer Price Index, CPI-U, U.S. city  
18 average, not seasonally adjusted, or successor index, as calculated by the U.S.  
19 Department of Labor or successor agency for the 12 months preceding the  
20 previous September 1, provided that the rate of increase shall not be more than  
21 five and one half percent, until the minimum wage is equal to or greater than

1 \$15.00. On January 1 of the first year after the minimum wage rate reaches an  
2 amount that is equal to or greater than \$15.00 and on each subsequent  
3 January 1, the minimum wage rate shall be increased by five percent or the  
4 percentage increase of the Consumer Price Index, CPI-U, U.S. city average,  
5 not seasonally adjusted, or successor index, as calculated by the U.S.  
6 Department of Labor or successor agency for the 12 months preceding the  
7 previous September 1, whichever is smaller, ~~but in~~ . In no event shall the  
8 minimum wage be decreased. The minimum wage shall be rounded off to the  
9 nearest \$0.01.

10 (2) An employer in the hotel, motel, tourist place, and restaurant  
11 industry shall not employ a service or tipped employee at a basic wage rate less  
12 than one-half the minimum wage. As used in this subsection, “a service or  
13 tipped employee” means an employee of a hotel, motel, tourist place, or  
14 restaurant who customarily and regularly receives more than \$120.00 per  
15 month in tips for direct and personal customer service.

16 (3) If the minimum wage rate established by the U.S. government is  
17 greater than the rate established for Vermont pursuant to subdivision (1) of this  
18 subsection for any year, the minimum wage rate for that year shall be the rate  
19 established by the U.S. government.

20 Second: In Sec. 1, 21 V.S.A. § 384, after subsection (e), by inserting a  
21 subsection (f) to read:

1       (f)(1) Notwithstanding 2 V.S.A. § 20(d), on or before December 1, 2019,  
2       and on or before each subsequent December 1 until the minimum wage  
3       established pursuant to subdivision (a)(1)(B) of this section reaches \$15.00, the  
4       Commissioner of Taxes shall submit a written report to the Governor and the  
5       General Assembly regarding whether the inflation-adjusted revenues from the  
6       sales tax imposed pursuant to 32 V.S.A. § 9771 and the use tax imposed  
7       pursuant to 32 V.S.A. § 9773 for the 12-month period ending on September 30  
8       of that year have decreased by two percent or more relative to the revenues  
9       from the sales tax and use tax for the 12-month period ending on September 30  
10       of the previous year.

11       (2) Notwithstanding subdivision (a)(1) of this section, the minimum  
12       wage rate established pursuant to subdivision (a)(1) shall be increased by the  
13       percentage increase of the Consumer Price Index, CPI-U, U.S. city average,  
14       not seasonally adjusted, or successor index, as calculated by the U.S.  
15       Department of Labor or successor agency for the 12 months preceding the  
16       previous September 1 or by five percent, whichever is smaller, on January 1 of  
17       the next calendar year if both of the following occur:

18               (A) the Commissioner of Taxes' report indicates that the inflation-  
19       adjusted revenues from the sales tax imposed pursuant to 32 V.S.A. § 9771 and  
20       the use tax imposed pursuant to 32 V.S.A. § 9773 for the 12-month period  
21       ending on September 30 of that year have decreased by two percent or more

1 relative to the revenues from the sales tax and use tax for the 12-month period  
2 ending on September 30 of the previous year; and

3 (B) the official State revenue estimate for the General Fund in the  
4 current or next fiscal year has been reduced by two percent or more.

5 Third: By striking out Secs. 5 and 6, Medicaid participating providers, and  
6 inserting in lieu thereof new Secs. 5 and 6 to read as follows:

7 Sec. 5. INCREASES FOR EMPLOYEES OF CERTAIN MEDICAID-  
8 PARTICIPATING PROVIDERS; REPORT

9 (a) On or before December 15, 2019, the Secretary of Human Services, in  
10 consultation with the Joint Fiscal Office and relevant service providers, shall  
11 submit a written report to the House Committees on Appropriations, on  
12 General, Housing, and Military Affairs, on Health Care, and on Human  
13 Services and the Senate Committees on Appropriations, on Economic  
14 Development, Housing and General Affairs, and on Health and Welfare  
15 regarding the projected costs for fiscal years 2020 and 2021 of increasing  
16 Medicaid reimbursement rates to Medicaid participating providers, including  
17 designated agencies, specialized service agencies, home health agencies,  
18 nursing homes, residential care homes, assisted living residences, and adult day  
19 agencies, by an amount necessary to facilitate the payment of wages to their  
20 employees who are providing services pursuant to the State Medicaid Program  
21 that are equal to at least the minimum wage set forth in 21 V.S.A. § 384.

1       (b)(1) On or before August 15, 2019, the Secretary of Human Services  
2       shall request from Medicaid participating providers with employees who are  
3       providing services pursuant to the State Medicaid Program and earn wages that  
4       are at or near the minimum wage set forth in 21 V.S.A. § 384 any  
5       documentation of wages and related costs that the Secretary determines to be  
6       necessary to develop the projections required pursuant to subsection (a) of this  
7       section.

8       (2) Service providers shall, on or before October 15, 2019, provide to  
9       the Secretary the documentation requested pursuant to subdivision (1) of this  
10       subsection.

11       (3) Any service provider that fails to provide the information requested  
12       by the Secretary pursuant to this subsection shall forfeit the right in fiscal years  
13       2020 and 2021 to any increase in Medicaid reimbursement rates that is  
14       proposed pursuant to subsection (a) of this section.

15       Sec. 6. MINIMUM WAGE FOR EMPLOYERS PROVIDING BENEFITS;

16               STUDY COMMITTEE; REPORT

17       (a) Creation. There is created the Minimum Wage for Employers  
18       Providing Benefits Study Committee to examine the possibility of creating a  
19       separate minimum wage rate for employers that provide certain benefits to  
20       their employees that would increase more slowly than the standard minimum  
21       wage.

1       (b) Membership. The Committee shall be composed of the following  
2       members:

3           (1) a current member of the House of Representatives, who shall be  
4       appointed by the Speaker of the House;

5           (2) a current member of the Senate, who shall be appointed by the  
6       Committee on Committees;

7           (3) a representative of employers, who shall be appointed by the  
8       Speaker of the House;

9           (4) a representative of employees earning wages that are at or near the  
10       minimum wage, who shall be appointed by the Committee on Committees; and

11          (5) the Commissioner of Labor or designee.

12       (c) Powers and duties. The Committee shall study the possibility of  
13       creating a separate minimum wage rate for employers that provide certain  
14       benefits to their employees that would increase more slowly than the standard  
15       minimum wage, including the following topics:

16           (1) the experience of jurisdictions that have created a second minimum  
17       wage rate for employers that provide certain benefits to their employees that  
18       would increase more slowly than the standard minimum wage;

19           (2) the advantages and drawbacks of permitting an employer to qualify  
20       for a minimum wage rate that increases more slowly than the standard  
21       minimum wage by providing certain types of benefits, including health

1 insurance, retirement, child care reimbursement, family and medical leave, and  
2 tuition reimbursement; and

3 (3) an appropriate minimum value of benefits that must be provided to  
4 qualify an employer for a second minimum wage rate that increases more  
5 slowly than the standard minimum wage.

6 (d) Assistance. The Committee shall have the administrative, technical,  
7 and legal assistance of the Office of Legislative Council and the Joint Fiscal  
8 Office.

9 (e) Report. On or before January 15, 2020, the Committee shall submit a  
10 written report to the House Committee on General, Housing, and Military  
11 Affairs and the Senate Committee on Economic Development, Housing and  
12 General Affairs with its findings and any recommendations for legislative  
13 action.

14 (f) Meetings.

15 (1) The member from the House shall call the first meeting of the  
16 Committee to occur on or before September 15, 2019.

17 (2) The Committee shall select a chair from among its members at the  
18 first meeting.

19 (3) A majority of the membership shall constitute a quorum.

20 (4) The Committee shall cease to exist on January 31, 2020.

21 (g) Compensation and reimbursement.

1           (1) For attendance at meetings during adjournment of the General  
2           Assembly, a legislative member of the Committee serving in his or her  
3           capacity as a legislator shall be entitled to per diem compensation and  
4           reimbursement of expenses pursuant to 2 V.S.A. § 406 for not more than four  
5           meetings.

6           (2) Other members of the Committee who are not otherwise  
7           compensated for their attendance at meetings shall be entitled to per diem  
8           compensation and reimbursement of expenses as permitted under 32 V.S.A.  
9           § 1010 for not more than four meetings.

10           (3) Payments to members of the Committee authorized under this  
11           subsection shall be made from monies appropriated to the General Assembly.

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19           (Committee vote: \_\_\_\_\_)



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Representative \_\_\_\_\_

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FOR THE COMMITTEE