

CONFIDENTIAL
LEGISLATIVE BILL REVIEW FORM: 2014

Bill Number: H.552 Name of Bill: An act relating to raising the Vermont minimum wage

Agency/ Dept: Labor Author of Bill Review: Annie Noonan

Date of Bill Review: 5/20/14

Status of Bill: (check one):

☐ Upon Introduction ☐ As passed by 1st body ☒ As passed by both bodies

Recommended Position:

☒ Support ☐ Oppose ☐ Remain Neutral ☐ Support with modifications identified in #8 below

Analysis of Bill

1. Summary of bill and issue it addresses. *Describe what the bill is intended to accomplish and why.*

This bill raises the minimum wage every year in following phases:

\$9.15 on January 1, 2015

\$9.60 on January 1, 2016

\$10.00 on January 1, 2017

\$10.50 on January 1, 2018

On January 1, 2019 and each subsequent year the minimum wage will increase 5% or the percent increase of the CPI-U, whichever is smaller.

2. Is there a need for this bill? *Please explain why or why not.*

The minimum wage earners of Vermont are not able to make ends meet even if they are working more than a 40 hour work week. Studies have shown minimum wage workers live pay check to pay check and they spend the extra money they receive on consumer goods. This not only helps the worker but also puts more money into the State's economy.

3. What are likely to be the fiscal and programmatic implications of this bill for this Department?

With the incremental steps of the bill, we will not have to release a minimum wage increase every year until 2019 since it is defined in statute. After 2019, we will use of the CPI-U city average as calculated by the U.S. Department of Labor to determine the minimum wage, as we previously have done.

4. What might be the fiscal and programmatic implications of this bill for other departments in state government, and what is likely to be their perspective on it?

N/A

5. What might be the fiscal and programmatic implications of this bill for others, and what is likely to be their perspective on it? (for example, public, municipalities, organizations, business, regulated entities, etc)

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Some businesses have opposed raising the minimum wage citing that they will have to layoff a worker or two. Other business owners say the minimum wage should be raised and as business owners they know how to adjust their business plan to mitigate the increased expenses.

6. Other Stakeholders:

6.1 Who else is likely to support the proposal and why?

6.2 Who else is likely to oppose the proposal and why?

7. Rationale for recommendation: *Justify recommendation stated above.*

Raising the minimum wage will give a boost to many hard-working Vermonters. Statistics show that many of these workers are women and some are single mothers who need a real increase. When low wage earners live pay check to pay check they spend the extra money on consumer goods which will contribute to the state's economy.

8. Specific modifications that would be needed to recommend support of this bill: *Not meant to rewrite bill, but rather, an opportunity to identify simple modifications that would change recommended position.*
None.

Secretary/Commissioner has reviewed this document: _____ *Annie Noonan* _____ **Date:** *5/20/2014* _____