

January 28, 2021

Senate and House Democrats Introduce \$15 Minimum Wage Bill

On Tuesday, Both House and Senate Democrats introduced a bill to raise the U.S. minimum wage to \$15 per hour, following through on one of President Joe Biden's priorities for the aid package. House Education and Labor Chair Bobby Scott said that the bill will raise wages for 32 million workers.

The Raise the Wage Act of 2021 would:

- Would increase the current rate from \$7.25 to \$9.50, and then gradually raise the federal minimum wage \$15 by 2025;
- Index future increases in the federal minimum wage to median wage growth to ensure the value of minimum wage does not once again erode over time;
- Guarantee tipped workers are paid at least the full federal minimum wage by phasing out the subminimum wage for tipped workers by 2027, which will ensure decent, consistent pay without eliminating tips;
- Guarantee teen workers are paid at least the full federal minimum wage by phasing out the rarely used subminimum wage for youth workers by phasing it out by 2027; and
- End subminimum wage certificates for workers with disabilities to provide opportunities for workers with disabilities to be competitively employed and participate more fully in their communities.

"In the richest country in the history of the world, if you work 40 hours a week, you should not be living in poverty," Sen. Bernie Sanders, I-Vt., the incoming chairman of the Senate Budget Committee, told reporters. "Minimum wage must be a living wage, enabling people to live with dignity. It is unacceptable that Congress has not passed an increase in the minimum wage since 2007 — 14 years ago."

Related Practices

Administration Transition Resources
Government Relations, Political Law &
Public Policy
Michael Best Strategies LLC

If democrats were to take a bipartisan approach to increasing the minimum wage they would have to get 10 republican senators to pass it in the Senate. Though there is not much support from republicans for the bill. Opponents of a \$15 pay floor have long contended Congress should not set a national standard because costs of living vary across the country and that it would hurt small businesses. Republican Senator Mitt Romney said that boosting the minimum wage to \$15 would “be very devastating to many, many small businesses,” in remarks circulated by his spokesperson. Romney highlighted that the Congressional Budget Office calculated it would cost more than 1 million jobs.

“More than doubling the minimum wage to \$15 dollars per hour, expanding paid leave mandates, and creating new federal enforcement actions on small businesses will make it even harder for Main Street to survive,” the National Federation of Independent Businesses said in a statement after Biden introduced his economic relief plan earlier this month.

But House Budget Committee Chairman John Yarmuth said Democrats are prepared to use budget reconciliation, a complicated Senate process that would allow them to circumvent the filibuster and advance the measure using their 50 seats, with Vice President Kamala Harris breaking any tie.

"We want to work with our Republican colleagues to advance this legislation," Schumer said. "[But] we're keeping all our options open, on the table, including budget reconciliation." "In keeping our options open on our caucus call today I informed senators to be prepared that a vote on a budget resolution could come as early as next week," Schumer said.

Established by the Congressional Budget Reconciliation Act of 1974, reconciliation can be used on certain tax, spending and debt limit bills. It effectively prevents a legislative filibuster, a Senate rule that requires legislation to receive 60 votes in order to be brought up for a final vote (meaning Democrats would need to secure the support of at least 10 Republicans). Experts are divided on whether the minimum wage can pass using those budget-reconciliation rules -- which require a provision to have more than “merely incidental” fiscal impact.

Lawmakers have enacted 21 budget reconciliation bills since 1980, most recently in 2017, when Republicans used it to pass President Trump's 2017 Tax Cuts and Jobs Act.

Sen. Bernie Sanders (I-Vt.), the incoming Budget Committee chairman, said he was already drafting instructions for reconciliation that would include a directive for an increase in the minimum wage as part of the eventual coronavirus legislation. "We're working on it right now. We're working on it right now," Sanders said.

"If Republicans are not prepared to come on board, that's fine. We're not going to wait. We're going forward soon, and aggressively," he added.

Draft List of Executive Orders That President Biden Will Sign In January

January 25: Federal procurement

- Using Federal procurement power to buy American

January 26: Supporting equity

- Voting

- Improving prison conditions
- Curtailing use of private prisons
- Housing
- Xenophobia against AAPI community

January 27: Climate

- Focus on delivering union jobs and environmental justice
- Deliver on early commitments that Biden made in the Climate space

January 28: Health Care

- Shoring up ACA
- Rescinding Global Gag rule
- Begin to revise/rollback Trump Title X rule

January 29: Immigration

- Family reunification
- Undocumented immigrants Migrants

January 30: Foreign Policy

- Re-invest in foreign policy/national security workforce

Related People

Denise Bode

dabode@michaelbeststrategies.com

T 202.844.3804