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Perspective on the End of Session

I have heard a lot of grumbling about the legislature's inability this session to come to agreement on minimum wage and paid family and medical leave. What happened?

First, I, and many in the legislature, continue to believe these are critical pieces to improving affordability and equity in an economy tilted dramatically toward the top 1%. No, they won't solve the problem of gross wealth inequality. But together they are an important step in helping those left further and further behind.

Let's remember that most folks earning less than \$15/hour work full-time. 58% are women. 89% are older than 20; the average age is 36 years old. These are not just teenagers in summer jobs.

As for family and medical leave, almost no one in this income group can take time off for illness, or to care for a sick child or a dying parent. So workers go to work sick; kids go to school sick; loved ones die in a hospital instead of being cared for at home.

But that doesn't mean it's easy to increase wages and benefits. Small businesses with low profit margins and a high proportion of costs in labor are understandably concerned. Service agencies, especially those providing personal care, that are already inadequately supported by Medicaid reimbursements, simply can't raise prices.

In St. Johnsbury and the NEK, these small businesses and agencies are a big part of our economy. I get that. I have listened intently to their concerns. I talked about them with other legislators and members of the committees that considered both bills.

A Rep from another district told of a shopkeeper who, opposing these bills, listed reason after reason why they would be challenging — even put him out of business. Eventually, he admitted he might be exaggerating a little. In the end, he said, "Well, people gotta live."

The concerns are legitimate, but I think that shopkeeper put his finger on it: People gotta live. Basing our services and small businesses on low wages — absurdly low wages, compared to the cost of living — is fundamentally unfair and wrong. The economy has changed. Employment in manufacturing and skilled trades has declined. Union representation has also declined, and most of these workers have no one to speak for them. That's why I and most legislators want to pass these bills.

Okay, so why didn't we?

The Senate's priority was minimum wage, which they passed on February 26 (S.23). The House's priority was paid leave, which we passed on April 5 (H.107). Basically, each chamber felt the other's bill was a little too much, too fast.

The House passed S.23 with amendment on May 16. The House amendment stretched out the timeline to reach \$15/hour minimum from 2024 to 2026, with a "pause" in case of a recession.

The Senate was very concerned about the costs of H.107. Once fully implemented, the Joint Fiscal Office (JFO) estimated payroll costs would be \$76 million per year. Senate members felt this was too expensive and would crowd out other needs. (JFO estimated payroll costs for an employee earning \$15/hour, or about \$30,000/year, would be \$165/year, or a bit more than \$3/week. H.107 let employers decide whether and how to split this with employees.)

Negotiations on H.107 became entangled with S.23 and stalled. Both chambers worked to resolve differences for an extra week beyond the scheduled end of session, costing taxpayers about \$250,000.

On Friday morning of that extra week (May 24), House Speaker Johnson sought to break the impasse by sending Senate Pro Tem Ashe a letter listing five possible compromises on both minimum wage and paid leave. Mindful of the cost to taxpayers of continuing the impasse into another week, Speaker Johnson was calling Time's Up.

As disappointed as I am that we were not able to get these two important bills across the finish line, I respect the Speaker's decision. I have watched her up close all year (my seat is next to the podium), and I find her fiercely intelligent, principled, fair, and well organized. I have heard criticisms that she should have been willing to work another day or another week — or even that she just wanted to go on vacation, which is insulting.

It's easy to criticize. But at this point I am going to trust that there were legitimate policy differences that prevented final agreement, that these differences could not be bridged hastily but are resolvable with more work, and that the House and Senate will honor the commitment to complete that work in January, seven months from now.

In the meantime, we did get much accomplished in the 2019 session, which I will tell you about in my next column.