

Vermont Legislative Update

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The following report is from VRLDA Lobbyist, Bill Smith of Smith Government Relations, LLC.

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Did You Know?

The average yearly salary is \$47,473 in the lumber and building materials industry in Vt.

Issues Update:

Paid Family Leave, H. 107

As passed the House, H.107 raises \$76.6 million with a new payroll tax of .55% on employees, with employers having the option to contribute some or all of that amount. It also sets the wage reimbursement rate at 90 percent 8 weeks for family and personal care leave and allows for 12 weeks of maternity and bonding leave.

The bill would allow employers who already offer an equivalent or better paid leave benefit to opt out of the program.

The House of Representatives passed H.107 by a vote of 92-52, which means Governor Scott might succeed if he decides to veto the bill. Governor Scott prefers a voluntary option, which he and Governor Sununu of New Hampshire have proposed, to a new mandate on employers that comes with a new tax on employees.

Minimum Wage, S. 23

Now under consideration in House General Affairs Committee, a new problem has come up the minimum wage increase proposal. Medicaid shortfalls will occur as a result of rapid minimum wage increases. The Joint Fiscal Office informed the committee that the State would need to raise a minimum of \$18 million to meet the increased wage requirements for health care workers funded by Medicare and Medicaid. This information also raised concerns that the potential for negative impacts on low income Vermonters.

In short, if an employee makes under \$27,000/yr they have more household benefits than if they make \$31,000/yr, as they can access more state programs. This potential for a 'benefits cliff', where it makes more sense to be paid \$12 per hour than \$15, has not yet been resolved.

Workforce Development, H. 533

Last month the House of Representatives passed H.533, with the following components: addressing recruiting and relocation of workers; expanding training for weatherization coordinators; designating training funds to small businesses; studying adult career and technical education; and appropriating funding for worker recruitment marketing. The Senate Economic Development Committee has been working on the bill this week, and it is expected out of committee soon. One area of potential benefit for building supply companies is an increased focus on weatherization training programs. The bill may pass this year.

The Senate bill, S.162, which was described last month, is up for active consideration in House Commerce Committee this week.

Questions?

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