



Killing The Minimum Wage
A Report On The Republican
Poison Pill Parade

HARD-WORKING AMERICANS
DESERVE A CLEAN VOTE ON \$7.25

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THE POISON PILL PARADE

REPUBLICANS AND THE MINIMUM WAGE

For years, Democrats have been pushing for an increase in the national minimum wage, which has been stuck at \$5.15 per hour since 1997. Once again, Republican leaders are blocking a vote on Democratic legislation that would raise the minimum wage to \$7.25 in three steps over roughly two years. But with the American public staunchly supporting a wage increase, Republican leaders may have to back down and allow a vote. The question is whether they will poison a raise for America's lowest-paid workers by attaching other anti-worker provisions to a wage increase.

Indeed, Republicans have a penchant for trying to kill minimum wage increases by tying any increase to "poison pill" proposals which either (a) undermine the value of the increase for working people or (b) give inordinate benefits to the wealthy few. Each of the last four times a real vote on the minimum wage was imminent, the Republicans offered the Congress a parade of poison pills to stop an increase in pay for the country's lowest-paid workers.

POISON PILL 1 **~ 2005 AND 2006 ~**

In the Senate, Democrats, led by Senator Edward Kennedy, offered an amendment to a bankruptcy bill in March 2005 and a defense appropriations bill in June 2006 that would increase the minimum wage to \$7.25 over two years. Republicans countered with their own amendment, riddled with poison pills which killed the increase. The identical amendments from Senators Santorum and Enzi, respectively, contained poison pills that would:

-  Drop the increase from \$7.25 over two years to only \$6.25 over two years.
-  Allow employers to refuse to pay workers up to 10 hours of earned overtime every 2 weeks.
-  Exempt over 10 million American workers from any minimum wage, overtime, or equal pay protections.
-  Invalidate state laws providing a minimum wage for tipped employees.

See S.Amdt. 128 to S.256, "The Bankruptcy Abuse Prevention and Consumer Protection Act of 2005," (Cong. Rec. S2188-2197, March 7, 2005); S. Amdt. 4376 to S.2766, "National Defense Authorization Act for Fiscal Year 2007," (Cong. Rec. S6178-6185, June 20, 2006).

POISON PILL 2

~ 1999 and 2000 ~

In the House, Democrats were pushing to raise the minimum wage from \$5.15 to \$6.15 over two years. The House Republicans offered a minimum wage increase in a tax bill loaded with goodies for the haves and the have-mores, at the expense of the federal budget. The Republican tax bill's poison pills would:

-  Make workers wait longer for their minimum wage increase, from two years to three.
-  Provide \$123 billion in tax cuts – 91% of which would have gone to the richest 10% of Americans, and 73.1% of which would have gone to the richest 1%.
-  Give upper-income taxpayers \$11 in tax breaks for every dollar in increased wages paid to low-wage workers.

See H. Conf. Rept. 106-1004 for H.R. 2614 (Cong. Rec. H10909-11188, October 24, 2000); Jared Bernstein, Robert S. McIntyre, and Lawrence Mishel, "Unbalanced Acts: A comparison of the proposed minimum wage and tax bills," Economic Policy Institute Issue Brief #138, March 8, 2000.

POISON PILL 3

~ 1996 ~

In 1996, when the Congress passed the last minimum wage increase, Republicans repeatedly sought to derail the bill. The Republican poison pills attempted to lash out at workers' wages and workers' rights. The pills that the Republicans, like Speaker Newt Gingrich and Senate Majority Leader Bob Dole, promoted would:

-  Allow companies to cut workers' overtime pay.
-  Allow companies to pay even lower wages than the minimum wage during training periods.
-  Allow companies to set up company-dominated unions to undercut real unions, in a throwback to the 1920s.

See Jerry Gray, "A Frustrated Dole Temporarily Halts Minimum-Wage Talks," New York Times, May 15, 1996; "The House is to Vote within Two Weeks," Associated Press, May 11, 1996; Joan Lowy, "'Little' Bill a Big Threat to Wage, Gas Tax Plans," Chicago Sun-Times, May 12, 1996; Jim Abrams, "Dole Raps House GOP Moderates for Breaking Ranks," Associated Press, April 22, 1996.

~ **AND THE POISON PILL PARADE CONTINUES** ~

With Democrats and the American people pressing hard for a minimum wage increase this year, Republican House Majority Leader John Boehner has had to rethink his policy of not allowing a vote on an increase. He says he is now considering a vote. But reports are that the Republicans will once again attach a poison pill proposal to any minimum wage increase. What will that poison pill be?



Association Health Plans (AHPs), undermining workers' health insurance coverage and state regulations that protect insurance plan participants?



Repeal of the Estate Tax, giving the heirs of the very wealthiest people in the country billions of dollars in tax breaks?



More rollbacks in Fair Labor Standards Act coverage?

HARD-WORKING AMERICANS DESERVE A CLEAN VOTE ON \$7.25

The American Dream should be possible for all Americans. During the Bush Administration, millions of families are locked out of economic prosperity because of failed economic policies and the failure of the Republican-controlled congress to act on behalf of average families.

- **The minimum wage has not been raised since 1997.**
- **It is now at its lowest level in more than 50 years (adjusted for inflation).**
- **Nearly 15 million Americans will benefit from this minimum wage increase -- 6.6 million directly and 8.3 million indirectly. Three million children have parents who would benefit directly from the minimum wage increase.**
- **It now takes a full day's pay for a minimum wage earner to fill the gas tank. The average annual premium for family health insurance now exceeds the entire annual income of a full-time minimum-wage worker.**
- **A minimum wage worker working full-time earns just \$10,700 per year – \$5,900 less than is needed to lift a family of three out of poverty.**

The next page, prepared by the office of House Democratic Whip Steny Hoyer, documents recent efforts by Democrats to get a vote on the minimum wage.

Democrats Create Minimum Wage Momentum

July 19: House Republicans vote against increasing the minimum wage by refusing to defeat the Previous Question on the Rule on H.R. 2389, the Pledge Protection Act of 2005. Defeating the Previous Question would have allowed consideration of the Fair Minimum Wage Act. (Roll Call #382)

July 13: 28 House Republicans send a letter to Majority Leader Boehner asking for a vote on the minimum wage before the August recess. Democrats have vowed to block increases in Congressional pay until the minimum wage is increased.

July 12: 64 House Republicans indicate support for increasing the minimum wage by voting for a Democratic Motion to Instruct Conferees to S. 250, the Vocational Education Improvement Act. The Motion instructed Conferees to accept the bill's purpose as creating high-skilled and high-wage jobs, which the Fair Minimum Wage Act defines as jobs paying more than \$7.25 per hour. (Roll Call #366)

July 12: House Republicans vote against increasing the minimum wage by refusing to defeat the Previous Question on the Rule on the Credit Rating Agency Act. Defeating the Previous Question would have allowed consideration of the Fair Minimum Wage Act. (Roll Call #364)

July 11: Republican Chris Shays (CT) signs on to the Barrow discharge petition to force consideration of the Fair Minimum Wage Act. As of 7/14/06, 190 Democrats have signed the discharge petition.

July 11: House Republicans vote against increasing the minimum wage by refusing to defeat the Previous Question on the Rule on the Internet Gambling Prohibition Bill. Defeating the Previous Question would have allowed consideration of the Fair Minimum Wage Act. (Roll Call #360)

June 29: Republicans vote against increasing the minimum wage by voting for a 4th of July recess adjournment resolution without consideration of a bill to increase the minimum wage. (Roll Call #353)

June 27: Republicans vote against increasing the minimum wage by voting for the Rule on the FY07 SSJC Appropriations Bill, which blocked the Obey-Hoyer-Mollohan minimum wage increase amendment from consideration. (Roll Call #319)

June 22: Republicans vote against increasing the minimum wage by refusing to appeal the Ruling of the Chair on a Rangel motion which included an increase in the minimum wage. (Roll Call #313)

June 22: Republicans vote against increasing the minimum wage by refusing to defeat the Previous Question on the Estate Tax bill. Defeating the Previous Question would have allowed consideration of the Fair Minimum Wage Act. (Roll Call #308)

June 21: Ray LaHood tells reporters that he and other moderate Republicans approached Majority Leader Boehner after Boehner said he would likely not allow a vote on the minimum wage. According to LaHood, Boehner switched positions and told them "we will vote on a minimum wage increase."

June 20: Republicans on the Appropriations Committee defeat a Obey-Hoyer-Mollohan amendment to raise the minimum wage in a markup of the Science-State-Justice-Commerce Appropriations bill. Five Republicans, C.W. (Bill) Young (FL), James Walsh (NY), Don Sherwood (PA), Mike Simpson (ID), and Ray LaHood (IL) switch their votes from the Labor-H markup and vote against the minimum wage amendment. Two Republicans, Jo Ann Emerson (MO) and John Sweeney (NY), leave the room in order to avoid voting on the amendment, which they also supported during the Labor-H markup. Majority Leader John Boehner says he will "probably not" allow a vote on the minimum wage.

June 15: The House Republican leadership pulls the Labor-HHS bill from the floor schedule indefinitely.

June 13: An amendment offered by Whip Hoyer, based on a bill by Ranking Democrat on the Education and the Workforce Committee George Miller (H.R. 2429, The Fair Minimum Wage Act), passes 32-27 during the Appropriations Committee markup of the FY07 Labor-HHS spending bill. The amendment would gradually increase the federal minimum wage from \$5.15 to \$7.25 over 2 years. Seven Republicans on the committee vote for the Hoyer Amendment.