



Republican plan would raise minimum wage to \$10 but only if businesses are required to ensure worker legality

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February 23, 2021

Republican Sens. Mitt Romney and Tom Cotton are proposing to raise the federal minimum wage to \$10, but only if businesses are required to use the internet-based E-Verify system designed to prevent employers from hiring undocumented workers.

Although the measure which was unveiled Tuesday morning is unlikely to go far in a Democratic Congress pushing for a \$15 minimum wage, the bill from Romney, R-Utah., and Cotton, R-Ark., represents the most serious Republican proposal yet on an issue that has emerged as a key priority for progressive leaders.

Both senators say their proposal provides a dual benefit for American workers: raising the pay floor for the first time in more than a decade while also ensuring that documented employees would be the beneficiaries.

Senator Tom Cotton (R-AR), left, Senator Mitt Romney (R-UT)

“Our legislation would raise the floor for workers without costing jobs,” Romney said. “We must create opportunities for American workers and protect their jobs, while also eliminating one of the key drivers of illegal immigration.”

Congress hasn’t raised the federal minimum wage – currently \$7.25 an hour – since 2007, even though polls show Americans overwhelmingly favor an increase. Then-President Barack Obama called on Congress to boost the minimum wage in 2014, but the effort went nowhere. The House voted in 2019 to raise the minimum wage to \$15 an hour, only to see the Senate kill the proposal.

A minimum wage increase to \$15 is part of President Joe Biden's \$1.9 trillion stimulus relief package making its way through the Democrat-led House. But its prospects in the evenly split Senate appear dim as two Democrats – Joe Manchin of West Virginia and Kyrsten Sinema of Arizona – have said they don't back its inclusion in the measure.

Mary Kay Henry, president of the Service Employees International Union, which funded the Fight for \$15 campaign to raise the minimum wage, said the COVID-19 pandemic has increased the urgency to raise pay especially for African Americans and Latinos on the front lines.

“They’ve been feeding us, caring for us, serving us, delivering things for us,” Henry said. “And they’ve been risking their lives without proper personal protective equipment and without the wages in their pockets that allow them to stay safely home if they get infected.”

Currently, 31 states have a minimum wage law that allows at least some workers to be paid less than \$10, according to the U.S. Department of Labor. No state has a minimum wage at \$15 or above.

A Congressional Budget Office report released earlier this month estimated that raising the minimum wage to \$15 an hour would boost the pay for as many as 27 million Americans and lift nearly 1 million out of poverty but also would result in the loss of as many as 1.4 million jobs.

Higher wages increase the cost to employers of producing goods and services, and those costs are generally passed on to consumers who usually react by purchasing fewer goods and services, according to the CBO. As a consequence, employers faced with having to scale back their output usually cut back their workforce.

Backers of the Romney-Cotton bill, called the Higher Wages for American Workers Act, say a \$10 wage phased in through 2025 (and then indexed to inflation after that) would cost no more than 100,000 jobs and would raise wages for approximately 3.5 million Americans.

And by mandating E-Verify within 18 months of the law's signing, they say the proposal "would preserve American jobs for legal workers and remove incentives for increased illegal immigration."

Created in 1996, the E-Verify system allows employers to voluntarily submit information from an employee's Form I-9 to the Department of Homeland Security, which works with the Social Security Administration to determine worker eligibility. More than 750,000 businesses use the program at no cost to them.

Service industry workers listen to remarks and hold up signs during a rally in support of the Raise the Wage Act, which includes a \$15 minimum wage for tipped workers and is included in President Joe Biden's American Rescue Plan, at the National Mall on Jan. 26, 2021, in Washington, D.C. More

Cotton has pushed legislation on expanding the E-Verify system in the past. In 2019, he and Sen. John Boozman, R-Ark., introduced legislation that would have required businesses to use an internet-based system that assists employers in determining whether current or prospective employees are authorized to work in the United States.

Four states – Alabama, Arizona, Mississippi and South Carolina – mandate E-Verify for all new hires, numerous others require it for some hires, and the federal government requires it for some occupations.

Democrats generally oppose expansion of E-verify unless it's part of a larger compromise on immigration that includes a path to citizenship for millions of undocumented residents.

The Cato Institute, a libertarian think tank, did not weigh in on the Romney-Cotton bill. But it opposes mandating E-Verify, calling it an expensive and inefficient bureaucratic system that would expand government, diminish privacy and do little to stop the illegal immigration the bill is targeting.

But Cotton said the current system is "unfair" to millions of workers who see businesses employ undocumented laborers for cheaper pay.

"Ending the black market for illegal labor will open up jobs for Americans. Raising the minimum wage will allow Americans filling those jobs to better support their families," he said. "Our bill does both."

This article originally appeared on USA TODAY