



Tom Cotton and Mitt Romney are proposing a \$10 minimum wage

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They're tying any Republican wage efforts to immigration enforcement.

Sen. Tom Cotton (R-AR) speaks during US attorney general nominee Merrick Garland's confirmation hearing on February 22. *Demetrius Freeman/Getty Images*

As the future of Democrats' plans to raise the federal minimum wage to \$15 per hour hangs in the balance — **procedurally and politically** — in the Senate, two Republican senators have an idea to tie the issue to another sensitive one: immigration enforcement.

Sens. Tom Cotton (R-AR) and Mitt Romney (R-UT) unveiled proposed legislation Tuesday that would gradually raise the minimum wage to \$10 per hour by 2025. But it would also require all employers to use the federal government's E-Verify program to screen out undocumented workers.

The "Higher Wages for American Workers Act" is a messaging bill — unlikely to be adopted, but a direct counterproposal to a Democratic effort, spearheaded in the Senate by Sen. Bernie Sanders (I-VT), to include a phased-in minimum wage hike in the Covid-19 relief bill. The Democrats' proposal would, over five years, more than double the current hourly federal minimum wage of \$7.25, which has not been increased since 2009.

Republicans have traditionally been opposed to efforts to increase the minimum wage. They have pointed to a **Congressional Budget Office report**, which presented mixed findings, as evidence that a minimum wage increase would hurt small businesses and the deficit, despite the CBO's estimate that a \$15 minimum wage would lift 900,000 people out of poverty.

The CBO's report projects the Democrats' bill would raise wages for **at least 17 million people**. In a **fact sheet**, Romney and Cotton say their proposal would affect 3.5 million workers. (Some states, **including Cotton's own**, already have minimum wages above \$10 per hour.)

The Romney-Cotton bill directly addresses the CBO's finding that a \$15 minimum wage would cost 1.4 million jobs, saying a smaller wage hike would drive wages up without facilitating as much job loss. Other studies **suggest that a \$15 minimum wage would have minimal to no effect on job loss**.

“For millions of Americans, the rising cost of living has made it harder to make ends meet, but the federal minimum wage has not been increased in more than ten years,” Romney said in a press release. “Our legislation would raise the floor for workers without costing jobs and increase the federal minimum wage to \$10, automatically raising it every two years to match the rate of inflation.”

Raising the minimum wage is a **widely popular proposal**, even in Trump-friendly states such as Florida, which last year approved a \$15 minimum wage via ballot initiative with the **support of over 60 percent of voters**. The Cotton-Romney proposal is the first GOP plan to speak to that desire. But still, it’s got opponents on both sides of the aisle — meaning the main question it raises is whether any more moderate Democrats take it as a sign to push for a bipartisan compromise on the size of the wage hike.

What’s in the bill?

Romney and Cotton’s proposal represents a Republican foray into an issue that has largely been the prerogative of Democrats. But they have tied the minimum wage hike to a more traditional Republican issue: immigration compliance measures.

On the fiscal side, it includes:

- **A \$10 hourly minimum wage indexed to inflation:** The bill would phase in a \$10 federal minimum wage by 2025; it then indexes that wage to inflation every two years. The Democrats’ bill similarly plans for minimum wage updates by **tying it to median wage growth** after 2025.
- **Slower phase-ins for small companies:** Cotton and Romney’s proposal also includes a slower phase-in for small businesses with under 20 employees. Under the plan, small businesses’ minimum wage would increase by 50 cents each year for five years — instead of the usual four — getting to \$9.75 before being set equal to the federal minimum wage. The Democratic bill does not make an exception for small businesses.
- **Maintain the disability exemption:** The Republican proposal maintains the sheltered workshop exemption, which exempts employees with disabilities from the minimum wage. The Democratic proposal would set the 14(c) wage, as it’s known, equal to the federal minimum wage by 2026.
- **Covid-delayed phase-in for everyone:** The plan also prevents any minimum wage hikes from being implemented during the Covid-19 pandemic, and increases the youth minimum wage from \$4.25 to \$6.00 over five years before indexing it to inflation. Democrats would increase the youth minimum wage by \$1.75 annually until it is equal to the proposed \$15 federal minimum wage.

On the immigration side, the Republican senators have included stricter enforcement and penalties for the usage of undocumented workers.

- **Mandated use of E-Verify:** The bill would make E-Verify, an online system that allows employers to check their employees’ immigration status using government records, obligatory to use within 18 months for all businesses.

- **Increased penalties and other compliance measures:** Cotton and Romney’s proposal would also increase civil and criminal penalties on employers that hire undocumented workers, and require all adult workers to provide photo identification to their employers.
- **Improved administration of the E-Verify program:** Their bill also authorizes states to share driver’s license information with the federal E-Verify program and approves \$100 million in automatic annual funding to protect E-Verify from government shutdowns or funding delays.

“American workers today compete against millions of illegal immigrants for too few jobs with wages that are too low — that’s unfair,” Cotton **said in a statement**. “Ending the black market for illegal labor will open up jobs for Americans.”

Democrats, including President Joe Biden, have fought against the expansion of E-Verify — Biden is including **a provision in his immigration bill to make its usage voluntary**. Many Republicans, meanwhile, have embraced the program, calling for it to be mandatory, **as it is for all employers in four GOP-led states**. But it’s not uniformly embraced on the right — **the libertarian Cato Institute says the program is an inefficient stopgap**.

How the proposal affects Democrats’ \$15 minimum wage push

The Cotton-Romney plan arrives just as Democrats are attempting to clear both procedural and political hurdles for their own minimum wage hike. Without Republican support, their bill would need to be passed **via budget reconciliation**. It’s a complicated process, but Congress gets a limited number of reconciliation attempts per year, and Democrats are using one for their broader Covid-19 relief bill (which is why they’re currently including the wage provision in that package). Anything included in a reconciliation bill has to be “budgetary”; the decision over whether the wage hike is budgetary in nature is up to the nonpartisan Senate parliamentarian, as **Vox’s Li Zhou explains**:

As the House votes on its version of the relief bill this week — both parties have a chance to present their final arguments to the Senate parliamentarian in a practice called the “Byrd bath.” Upon hearing their respective cases, the parliamentarian — Elizabeth MacDonough — will determine what can be included in the legislation and what needs to be removed. As soon as mid-week, MacDonough could reach a decision about the minimum wage.

Then, the political pressure ramps up: If MacDonough greenlights the measure, Democrats will need to navigate the dissent within their caucus to get it passed. If she doesn’t, they’ll have to decide if they’re willing to ignore her ruling and move ahead with it anyway. Senate Majority Leader Chuck Schumer thus far has kept the focus squarely on immediate next steps.

“We’re trying to work as well as we can with the parliamentarian to get minimum wage to happen, that’s all I’m going to say,” Schumer noted at a recent press conference. After her decision comes through, however, Democrats will have to wrestle with their own divides on the matter.

Even if the \$15 minimum wage clears that procedural hurdle, there are political ones too: Two moderate Senate Democrats — Joe Manchin (WV) and Kyrsten Sinema (AZ) have already said they do not support a \$15 minimum wage, creating intra-caucus problems and potentially delaying the entire relief bill in the 50-50 Senate.

But even though Manchin has said he **wants an \$11 minimum wage** — closer to Cotton and Romney’s proposal — their joint wage-immigration bill faces even steeper odds than Democrats’ \$15 plan.

Senate Democrats are also hoping to pass **a comprehensive immigration bill**, introduced by Sen. Bob Menendez (NJ) on behalf of the Biden administration. The likely need for 60 votes gives the bill tough odds, making Democrats open to passing provisions in piecemeal fashion. But Democrats have been stringent over the last several years of immigration fights that they will not accept enhanced immigration enforcement measures without compromise to support their priorities, including protections for Dreamers or a pathway to legal citizenship.

“We know the path forward will demand negotiations with others,” **Menendez said last week**, on immigration. “But we’re not going to make concessions out of the gate.”