

Peter Welch's Message Calendar: The Economic Security Plan

**Week 1: MINIMUM WAGE**

**Welch calls for raising federal minimum wage as first plank of economic security plan**

Date: Tue, May 23, 2006 - 07:00

Montpelier, VT - Addressing the growing economic gap between America's wealthiest citizens and low income workers, candidate for U.S. Congress Peter Welch today called for raising the federal minimum wage to \$7.25 an hour, the same as in Vermont.

"Here in Vermont, we are proud of our tradition of self-reliance as well as our sense of community," said Welch. "So it is no accident that Vermont has been a leader in the move to reward work with a reasonable minimum wage."

"We send a message every day that we value work and that government has a role to play in ensuring opportunity to everyone willing to contribute to our community," said Welch.

"Unfortunately, for America's lowest paid workers, the Republican Congress has demonstrated exactly the opposite values," charged Welch.

"Two weeks ago the Bush Congress passed tax breaks that will give millionaires an average of \$40,000 more in their pockets next year, while providing workers who earn less than \$20,000 just two dollars. Two dollars – for the whole year. The Bush Congress rewards wealth rather than work."

"Moreover, the Republican Congress last voted to increase the minimum wage to \$5.15 in 1995," Welch pointed out.

"Yet during that same time, members of Congress have received EIGHT pay raises totaling \$31,600. The only community the Republican Congress seems interested in securing opportunities for is themselves."

"Seventeen states, including Vermont, have independently raised their own minimum wage because the Bush Congress has refused to address issues of poverty and a decent standard of living over the last decade," noted Welch.

As a leader in the Vermont Senate, Welch has supported raising Vermont's minimum wage, which is now \$7.25.

"I believe we need to restore a balance. I believe we need to reward work. And I believe that Congress should raise the minimum wage to \$7.25 an hour to lift every minimum wage worker out of poverty," said Welch.

A full-time minimum wage worker earns just \$10,712 annually, which is more than \$2,000 below the poverty line for a family of two (Economics Policy Institute, January 2006). Raising the federal minimum wage to Vermont's standard of \$7.25 would allow a full-time minimum wage worker to earn about \$2000 above the poverty line.

"Asking millions of our neighbors to work full time without a wage above poverty is wrong," asserted Welch.

"There are times that a market economy must be balanced with moral leadership. We can have economic prosperity that does not come on the backs of working Americans," ended Welch.

Welch said his minimum wage proposal was the first plank in an economic security agenda that he would be announcing in the coming weeks.

### **Week Two: HEALTH INSURANCE**

\*\*\* ADVISORY \*\*\*

June 18, 2006

Contact: Andrew Savage, Welch for Congress, 802.861.2742 (o) or 802.793.9793 (c)

### **Welch to outline second plank of economic security plan**

Senate President Pro Tem Peter Welch, candidate for U.S. Congress, will hold a press conference tomorrow, June 19, to outline the second plank of his economic security plan.

The press conference will be held at the Oasis Diner in Burlington at 11:00 AM.

**What:** Press conference to outline second plank of economic security plan

**When:** Monday, June 19, 11:00 AM

**Where:** Oasis Diner, 189 Bank Street, Burlington

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June 19, 2006

\*\*\* RELEASE \*\*\*

Contact: Andrew Savage, Welch for Congress, 802.861.2742

**Welch proposes creating small business health plan and cutting red tape to expand health care coverage for working families**

*Second plank of economic security plan*

Burlington, VT - Drawing on his experience in passing health care reform in Vermont, Senate President Pro Tem Peter Welch, candidate for U.S. Congress, proposed a health security initiative that could significantly increase the number of Americans with access to affordable health care.

"Affordable health care is the single most important factor in the ability of our citizens to live healthy, economically secure lives," said Welch. "Every single American needs health care and we can significantly reduce the number of uninsured Americans while containing costs if we are willing to think creatively - just like we've done here in Vermont."

Welch pointed out that Vermont has been a national leader in addressing the problem of access to health care. The state's new Catamount Health program provides a defined benefit to thousands of uninsured Vermonters and enacts significant cost savings initiatives.

In contrast, "under the Bush Administration, more than five million Americans have lost their health insurance and costs have skyrocketed," said Welch. "The nation is going in the wrong direction. The Republican leadership in Congress lacks the political will and has done nothing to right that course."

"But by following Vermont's lead the federal government can reduce the burden on businesses, individuals, states, and local governments while expanding health care for working Americans," said Welch.

To begin moving in the right direction, Welch's health security initiative includes proposals to:

- Help businesses by creating a Small Employers Health Benefits Program (SEHBP) modeled after the successful Federal Employees Health Benefits Program (FEHBP), which would allow small businesses nationwide to join into one risk and purchasing pool to provide affordable health care to their employees;
- Help states by removing federal restrictions that impede state-level health care reform initiatives like Vermont's Catamount Health and improve flexibility;
- Help individuals by lowering the age of Medicare eligibility for seniors and raising the age of Medicaid coverage to include young adults; and

- Help tax payers by explicitly requiring Medicare to negotiate bulk discounts with big drug companies as part of the Medicare Part D prescription drug program.

"The answer to health care reform put forward by the Republicans controlling Washington is health savings accounts. They simply tell those who are sick or without savings 'you're on your own.' That's unacceptable to me," added Welch.

"We are all stronger and better off when we are all in it together."

### **Small Employers Health Benefits Program Act**

The current Federal Employees Health Benefits Program has successfully provided extensive benefit choices at affordable prices to federal employees and members of Congress. By pooling small businesses across America into one risk purchasing pool like FEHBP, the SEHBP program would allow employers of up to 100 employees (and to larger employers by waiver) to benefit from group purchasing power and streamline administrative costs.

Welch says 98 percent of the Vermont businesses could be eligible for the new program, comprising more than two thirds of the state's private sector workforce (Vermont Department of Labor).

The program would also provide tax credits to employers who contribute above 60 percent of their employees' premiums. SEHBP would be covered by state consumer protection laws and standards.

### **Reducing federal hurdles for state-level reforms**

In response to his own experience passing Catamount Health this year, Welch believes the federal government could make it easier for state-based initiatives. Welch noted that the Employee Retirement Income Security Act (ERISA) was an impediment to Vermont's efforts and that state reforms are often challenged in court because of ERISA.

"For states like Vermont to be successful in delivering more health care for less costs, the federal government must provide flexibility to states," said Welch.

Welch said he would introduce legislation to cut federal restrictions that prevent states from adopting creative health care approaches and promote other "creative federalism" initiatives. This flexibility would allow states to consider establishing their own self-insurance program.

### **Medicare and Medicaid reform**

Welch believes Medicaid eligibility should be extended from children to young adults up to age 24 and that Medicare eligibility should begin at age 60.

"Covering young people until age 24 through Medicaid will help students and small employers. Allowing earlier entry into Medicare builds on a successful program with proven administrative efficiencies," Welch said.

### **Reducing the cost of prescription drugs**

Finally, Welch believes the federal government must work to reduce the cost of prescription drugs.

Last December, Welch called for reforming the Medicare Part D legislation to explicitly require using the purchasing power of 42 million seniors enrolled in Medicare to negotiate lower drug prices. The law currently prohibits this negotiation. Drug prices offered by Medicare drug plans are over 80 percent higher than prices negotiated for federal agencies and the Department of Veterans Affairs. This program has ballooned to cost taxpayers more than \$720 billion over the next 10 years, a cost that could be significantly reduced had Congress required negotiations for lower drug prices, argued Welch.

For example, the average cost of the heartburn medication Protinix for Part D is \$113 per month, compared to \$21 when negotiation by the federal government. Medicare plans average 84 percent higher than federally negotiated prices.

As President Pro Tem, Welch oversaw several state-level initiatives to achieve more affordable prescription drugs.

Welch's first plank of economic security was raising the federal minimum wage to Vermont's wage of \$7.25 to help lift all full-time workers out of poverty.

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### **Week Three: RETIREMENT**

\*\*\* ADVISORY \*\*\*

August 2, 2006

Contact: Andrew Savage, Welch for Congress, 802.861.2742 (o) or 802.793.9793 (c)

**Welch to outline third plank of economic security platform**

Senate President Pro Tem Peter Welch, candidate for U.S. Congress, will outline the third plank of his economic security platform at a press conference tomorrow, August 3 at 11 AM.

Welch's first two planks for economic security were raising the federal minimum wage to Vermont's level and expanding health care coverage for working families.

**What:** Press conference on Welch's third plank of his economic security platform

**When:** Thursday, August 3, 11:00 AM

**Where:** Atrium, 60 Lake Street, Burlington – The new Lake & College Building, Third Floor, South end of the building

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August 3, 2006

\*\*\* RELEASE \*\*\*

Contact: Andrew Savage, Welch for Congress, 802.861.2742 (o) 802.793.9793 (c)

### **Welch outlines secure retirement as third plank of economic security platform**

Montpelier, VT - Candidate for U.S. Congress Peter Welch today pledged to fight attempts to privatize Social Security and advocated for maintaining Social Security as an essential economic safety net if elected in November.

Welch made this pledge as part of the third plank of his economic security platform. His first two initiatives were raising the federal minimum wage to Vermont's level and making progress toward universal health care.

"Social security has been a fundamental component of our nation's economic security for its citizens since the Great Depression. Every President since Roosevelt has supported Social Security as the foundation for economic security except our current President," said Welch.

Former President Bush rightly noted in his 1990 State of the Union Address, "The last thing we need to do is mess around with Social Security."

"Vermonters and Americans should make no mistake, the privatization agenda by President Bush and the Republican leaders in Congress is active, is real, and is wrong," charged Welch.

"Social Security has guaranteed a retirement benefit to every American for over seventy years. I will fight the ideological agenda for privatization to assure every American has a secure retirement."

President Bush recently snuck Social Security privatization into his 2007 federal budget and in mid-July's mid-session review of the budget, proposed spending \$721 billion over the next ten years for privatization.

Welch noted that just this week in an interview with the Washington Times, Republican House Majority Leader John Boehner asserted that, "If I'm around in a leadership role come January, we're going to get serious about this," referring to a major overhaul of Social Security [7.31.06].

"The choice is clear," said Welch. "A Republican Congress offers a 'you are on your own' plan that will impose privatization upon American seniors. I reject their approach. I believe the current system of Social Security lives up to the Vermont philosophy that 'we are in it together.'"

Welch believes every retired American should be able to depend on the safety net Social Security provides. Privatization, he says, will increase financial risk, has been packaged with benefits cuts, hurts elderly women disproportionately, and sacrifices retirement income to administrative costs [House Committee on Ways and Means Minority Staff].

Privatization will eliminate the security in Social Security, put Wall Street investors in charge of the retirement of millions of Americans, and cost taxpayers over \$700 billion over just seven-years, points out Welch [Washington Post, 2.8.06].

Welch noted the failed track record of this Congress and Administration with reforming government programs, citing the Medicare Part D program that bewildered seniors and sold-out taxpayers.

Welch pointed out that in May the Social Security Board of Trustees released the 66th annual report and reaffirmed Social Security does not face a near-term crisis. Welch also points out that just the cost of the tax cuts for the top 1 percent of Americans, those making over \$400,000, is nearly as large as the trustees' estimate for the 75-year Social Security shortfall [Center for Budget and Policy Priorities, 6.15.06].

"Preserving Social Security should be the goal, not dismantling it through privatization," said Welch, who supports creating a bipartisan commission similar to the one created by President Reagan and Speaker O'Neill charged with studying finance options for Social Security.

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