

106TH CONGRESS
2D SESSION

H. R. 4353

To provide for a livable wage for employees under Federal contracts and subcontracts.

IN THE HOUSE OF REPRESENTATIVES

MAY 2, 2000

Mr. GUTIERREZ (for himself, Mr. BONIOR, Mr. BRADY of Pennsylvania, Mr. STARK, Mr. EVANS, Mr. THOMPSON of Mississippi, Mr. KUCINICH, Mr. FRANK of Massachusetts, Mr. HILLIARD, Mr. GREEN of Texas, Mr. FILLNER, Ms. LEE, Mr. MEEKS of New York, Ms. VELAZQUEZ, Mr. SANDERS, Ms. KILPATRICK, Mr. PALLONE, Ms. WATERS, Mr. CAPUANO, Mr. WYNN, Mr. HOFFEL, Ms. NORTON, Mr. HINCHEY, Mr. ENGEL, Mr. DAVIS of Illinois, Mr. FATTAH, Mr. JACKSON of Illinois, Mr. NADLER, Mr. LEWIS of Georgia, Mr. OWENS, Ms. SCHAKOWSKY, Mr. COSTELLO, Mr. CONYERS, Mr. RUSH, Mr. PAYNE, Mr. McDERMOTT, Ms. CARSON, Mr. BROWN of Ohio, Mrs. MALONEY of New York, Mr. BERMAN, Mr. COYNE, Mr. MARTINEZ, Mr. PASTOR, Mr. TIERNEY, Mrs. CHRISTENSEN, Mr. CUMMINGS, Mr. PHELPS, Mrs. CLAYTON, Mr. GEORGE MILLER of California, Mr. KILDEE, Ms. PELOSI, Ms. MCKINNEY, Mrs. MINK of Hawaii, Mr. STRICKLAND, Mr. MATSUI, Mr. RAHALL, Ms. WOOLSEY, Ms. BALDWIN, Mr. DEFazio, Ms. MILLENDER-McDONALD, Mrs. JONES of Ohio, Mr. RANGEL, Mr. OLVER, Mr. DELAHUNT, Mr. TOWNS, Ms. BROWN of Florida, Mr. CLAY, Ms. DELAURO, Mr. McNULTY, Mr. LIPINSKI, Mr. ROMERO-BARCELO, Mr. SERRANO, Mr. FALEOMAVAEGA, Ms. EDDIE BERNICE JOHNSON of Texas, Ms. JACKSON-LEE of Texas, Mr. LANTOS, Mr. JEFFERSON, Mr. RODRIGUEZ, Mr. SABO, Mr. FARR of California, Mr. DIXON, Mrs. MEEK of Florida, Mr. REYES, Mr. ORTIZ, Mr. HINOJOSA, Mrs. NAPOLITANO, Mr. GONZALEZ, Mr. BACA, Mr. MCGOVERN, Mr. BARRETT of Wisconsin, and Ms. ROYBAL-ALLARD) introduced the following bill; which was referred to the Committee on Education and the Workforce, and in addition to the Committee on Government Reform, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To provide for a livable wage for employees under Federal contracts and subcontracts.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Federal Living Wage
5 Responsibility Act”.

6 **SEC. 2. FINDINGS.**

7 The Congress finds the following:

8 (1) American workers are working harder to
9 make ends meet.

10 (2) The wages of many working Americans
11 have not kept pace with the cost of providing for
12 their families.

13 (3) The Federal Government provides billions of
14 dollars in subsidies to businesses each year through
15 both spending programs and the Internal Revenue
16 Code of 1986.

17 (4) Recipients of Federal contracts have bene-
18 fited greatly from the provision of taxpayers’ dollars.

19 (5) The Congressional Budget Office concluded
20 that the Federal Government spends more than \$30
21 billion a year on spending and credit programs.

1 (6) Congress must ensure that Federal dollars
2 are used responsibly to improve the economic secu-
3 rity and well-being of Americans across the country.

4 **SEC. 3. POVERTY LEVEL WAGE.**

5 (a) REQUIREMENT.—

6 (1) GENERAL RULE.—Except as provided in
7 paragraph (2), any employer under a Federal con-
8 tract for an amount exceeding \$10,000 or a sub-
9 contract under a Federal contract for such an
10 amount shall, except as provided in subsection (b),
11 pay each of the employer’s employees working on or
12 hired in conjunction with such contract or
13 subcontract—

14 (A) an hourly wage necessary for such em-
15 ployee to earn, while working 40 hours a week
16 on a full-time basis, the amount of the Federal
17 poverty level for a family of 4 (as published in
18 the Federal Register by the Department of
19 Health and Human Services under the author-
20 ity of section 673(2) of the Omnibus Budget
21 Reconciliation Act of 1981), or

22 (B) \$8.20 an hour,

23 whichever is greater.

24 (2) EXCEPTION.—An employer which is—

1 (A) a small business concern as defined
2 under section 3 of the Small Business Act (15
3 U.S.C. 632), or

4 (B) a nonprofit organization exempt from
5 Federal income tax under section 501(c) of the
6 Internal Revenue Code of 1986 if the ratio of
7 the total compensation of its chief executive of-
8 ficer to the compensation of the full-time equiv-
9 alent of its lowest paid employee is not greater
10 than 25 to 1,

11 shall not be required to pay the wage prescribed by
12 paragraph (1).

13 (3) SCOPE.—An employer may not avoid the re-
14 quirement of paragraph (1) by laying off or other-
15 wise terminating the employment of an employee
16 with the intention of replacing such employee with
17 an employee who, under subsection (b), is not eligi-
18 ble for the subsection (a) wage.

19 (b) EXCEPTION.—An employee who is participating
20 in—

21 (1) an apprenticeship program, or

22 (2) any other training program which does not
23 exceed 6 months in duration and which is offered to
24 an employee while employed in productive work that
25 provides training, technical and other related skills,

1 and personal skills that are essential to the full and
2 adequate performance of the employee's employ-
3 ment,

4 is not eligible for the wage prescribed by subsection (a).

5 (c) CONTRACT REQUIREMENT.—Any contract be-
6 tween the Federal Government and any contractor and
7 any contract between such contractor with a subcontractor
8 to carry out work for the Federal Government shall re-
9 quire the contractor or subcontractor to pay the wage pre-
10 scribed by subsection (a)(1).

11 (d) ENFORCEMENT.—

12 (1) SUSPENSION.—If an employer does not pay
13 the wage required by subsection (a) the Federal con-
14 tract or subcontract under which such employer was
15 employing employees shall be suspended.

16 (2) INELIGIBILITY.—An employer described in
17 paragraph (1) shall not be eligible for any Federal
18 contract or subcontract for a period of 5 years be-
19 ginning on the date the employer does not pay the
20 required wage.

21 (3) RESTITUTION.—An employer who does not
22 pay the wage required by subsection (a) shall be lia-
23 ble to the United States in an amount equal to the
24 unpaid wages and in addition an equal amount as
25 liquidated damages. The Secretary of Labor shall

1 pay to the employees who were not paid such wage
2 the amount recovered by the United States under
3 this paragraph.

4 **SEC. 4. EFFECTIVE DATE.**

5 This Act shall take effect with respect to Federal con-
6 tracts entered into, renewed, or extended after 90 days
7 after the date of enactment of this Act.

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