

107TH CONGRESS
1ST SESSION

H. R. 1457

To provide for livable wages for Federal Government workers and workers hired under Federal contracts.

IN THE HOUSE OF REPRESENTATIVES

APRIL 4, 2001

Mr. GUTIERREZ (for himself, Mr. SERRANO, Ms. BROWN of Florida, Mr. BONIOR, Mr. FRANK, Mr. BLAGOJEVICH, Mr. OWENS, Mr. CUMMINGS, Mr. McDERMOTT, Mr. FARR of California, Mr. CAPUANO, Mr. HILLIARD, Mr. JACKSON of Illinois, Mr. MATSUI, Mr. COSTELLO, Mr. McNULTY, Mr. THOMPSON of Mississippi, Mr. RUSH, Ms. VELÁZQUEZ, Ms. JACKSON-LEE of Texas, Mr. MCGOVERN, Mr. PAYNE, Mrs. MINK of Hawaii, Ms. SCHAKOWSKY, Mr. EVANS, Ms. WATERS, Mr. WYNN, Mr. FILNER, Mr. REYES, Ms. NORTON, Mr. STARK, Mr. NADLER, Ms. MCKINNEY, Mr. FATTAH, Mr. CONYERS, Ms. BALDWIN, Mr. RODRIGUEZ, Mr. KUCINICH, Mr. GEORGE MILLER of California, Mr. JEFFERSON, Ms. WOOLSEY, Mr. MALONEY of Connecticut, Ms. LEE, Ms. PELOSI, Mr. STRICKLAND, Mr. TOWNS, Ms. ROYBAL-ALLARD, Ms. MILLENDER-McDONALD, Mr. ORTIZ, Mr. BACA, Mr. CLAY, Mr. MOAKLEY, Mrs. JONES of Ohio, Mr. LIPINSKI, Mr. ENGEL, Mr. HOEFFEL, Mrs. CHRISTENSEN, Ms. KILPATRICK, Ms. CARSON of Indiana, Mr. DEFazio, Mr. GONZALEZ, Mr. HINCHEY, Mrs. NAPOLITANO, Mr. PHELPS, Mr. BRADY of Pennsylvania, and Mr. GREEN of Texas) introduced the following bill; which was referred to the Committee on Government Reform, and in addition to the Committee on Education and the Workforce, 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 livable wages for Federal Government workers and workers hired under Federal contracts.

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) According to data from fiscal year 1999,
9 approximately 162,000 Federal contract workers did
10 not earn a wage sufficient to lift a family of four out
11 of poverty. Just under 60 percent of these poorly
12 paid workers work for large firms and 62 percent
13 work on Department of Defense contracts. These
14 workers represent 11 percent of the total 1.4 million
15 Federal contract workers in the United States.

16 (2) As of September 2000, 14,356 workers em-
17 ployed by the Federal Government earned less than
18 the poverty level for a family of four.

19 (3) A majority of workers earning less than a
20 living wage are adult females working full-time. A
21 disproportionate number of workers earning less
22 than a living wage are minorities.

23 (4) The Federal Government provides billions of
24 dollars to businesses each year, through spending
25 programs, grants and Government-favored financing.

1 (5) In fiscal year 1999, the Federal Govern-
2 ment awarded contracts worth over \$208 billion.

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

6 **SEC. 3. POVERTY-LEVEL WAGE.**

7 (a) GENERAL RULE.—Notwithstanding any other
8 law that does not specifically exempt itself from this Act
9 and except as provided in subsection (b), the Federal Gov-
10 ernment and any employer under a Federal contract for
11 an amount exceeding \$10,000 (or a subcontract under
12 such a contract) shall pay to each of their respective
13 workers—

14 (1) an hourly wage (or salary equivalent) suffi-
15 cient for a worker to earn, while working 40 hours
16 a week on a full-time basis, the amount of the Fed-
17 eral poverty level for a family of four (as published
18 in the Federal Register by the Department of
19 Health and Human Services under the authority of
20 section 673(2) of the Community Services Block
21 Grant Act (42 U.S.C. 9902(2))); and

22 (2) an additional amount, determined by the
23 Secretary based on the locality in which a worker re-
24 sides, sufficient to cover the costs to such worker to

1 obtain any fringe benefits not provided by the work-
2 er's employer.

3 (b) EXEMPTIONS.—Subsection (a) does not apply to
4 the following:

5 (1) A small-business concern (as that term is
6 used in section 3 of the Small Business Act (15
7 U.S.C. 632)).

8 (2) A nonprofit organization exempt from Fed-
9 eral income tax under section 501(c) of the Internal
10 Revenue Code of 1986 (26 U.S.C. 501(c)), if the
11 ratio of the total wages of the chief executive officer
12 of such organization to the wages of the full-time
13 equivalent of the lowest paid worker is not greater
14 than 25 to 1.

15 (c) RETALIATION PROHIBITED.—It shall be unlawful
16 for any employer subject to subsection (a) to terminate
17 or suspend the employment of a worker on the basis of
18 such worker's allegation of a violation of subsection (a).

19 (d) CONTRACT REQUIREMENT.—Any contract sub-
20 ject to subsection (a) shall contain a provision requiring
21 the Federal contractor to ensure that any worker hired
22 under such contract (or a subcontract thereof) shall be
23 paid in accordance with subsection (a).

1 **SEC. 4. ENFORCEMENT BY SECRETARY.**

2 (a) IN GENERAL.—If the Secretary determines (in a
3 written finding setting forth a detailed explanation of such
4 determination), after notice and an opportunity for a hear-
5 ing on the record, that a Federal contractor (or any sub-
6 contractor thereof) subject to section 3 has engaged in a
7 pattern or practice of violations of section 3, the following
8 shall apply to such Federal contractor:

9 (1) CONTRACT CANCELLATION.—After final ad-
10 judication of a pattern or practice of violations, the
11 United States may cancel any contract (or the re-
12 mainder thereof) with the Federal contractor that is
13 a part of the pattern or practice of violations.

14 (2) RESTITUTION.—A Federal contractor whose
15 contract is cancelled under paragraph (1) shall be
16 liable to the United States in an amount equal to
17 the costs to the Government in obtaining a replace-
18 ment contractor to cover the remainder of any con-
19 tract cancelled under paragraph (1).

20 (3) CONTRACT INELIGIBILITY.—After final ad-
21 judication of a pattern or practice of violations, the
22 Federal contractor shall be ineligible to enter into,
23 extend, or renew a contract with the United States
24 for a period of five years after the date of such adju-
25 dication.

1 (4) PUBLICATION.—Not later than 90 days
2 after final adjudication of a pattern or practice of
3 violations, the Secretary shall publish in the Federal
4 Register a notice describing the ineligibility of the
5 Federal contractor under paragraph (3).

6 (b) SAFE HARBOR.—Subsection (a) shall not apply
7 if—

8 (1) the Federal contractor has entered into a
9 consent agreement with the Secretary with regard to
10 a pattern or practice of violations of section 3 and
11 has paid to any aggrieved workers all wages due
12 them, to the satisfaction of the Secretary; or

13 (2) the Secretary determines, after consultation
14 with the affected Government entity, that cancella-
15 tion or debarment under subsection (a) would not be
16 in the best interests of the Nation or of such Gov-
17 ernment entity.

18 (c) JUDICIAL REVIEW.—Any Federal contractor ag-
19 grieved by an adverse determination of the Secretary
20 under subsection (a) may seek review of such determina-
21 tion in an appropriate court.

22 **SEC. 5. EMERGENCIES.**

23 The President may suspend the provisions of this Act
24 in times of emergency.

1 **SEC. 6. PRIVATE RIGHT OF ACTION.**

2 (a) ACTION.—A worker aggrieved by a violation of
3 section 3 may, in a civil action, recover appropriate relief.
4 A civil action under this section shall be filed not later
5 than 3 years after the commission of such violation. A civil
6 action may not be brought under this section if an em-
7 ployer subject to section 3 has paid or reinstated the work-
8 er as a result of an administrative action under section
9 4.

10 (b) RELIEF.—In this section, the term “appropriate
11 relief” means—

12 (1) injunction of a violation of section 3;

13 (2) actual damages or, if the court finds that
14 the employer willfully violated section 3, three times
15 actual damages;

16 (3) reasonable attorney fees and the costs of
17 the action; and

18 (4) any other relief the court deems appropriate
19 in the circumstances of the case.

20 **SEC. 7. RULEMAKING.**

21 The Secretary shall make rules to carry out this Act,
22 which shall take effect not later than 120 days after the
23 date of enactment of this Act.

24 **SEC. 8. DEFINITIONS.**

25 In this Act:

1 (1) The term “employer” means a person who
2 has economic power to set a worker’s terms and con-
3 ditions of employment, regardless of the formality of
4 an employment relationship.

5 (2) The term “fringe benefits” means—

6 (A) medical or hospital care or contribu-
7 tions to a health insurance plan;

8 (B) contributions to a retirement plan;

9 (C) life insurance;

10 (D) disability insurance; and

11 (E) vacation and holiday pay.

12 (3) The term “Secretary” means the Secretary
13 of Labor.

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