

104TH CONGRESS
2D SESSION

H. R. 3463

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

IN THE HOUSE OF REPRESENTATIVES

MAY 15, 1996

Mr. GUTIERREZ introduced the following bill; which was referred to the Committee on Economic and Educational Opportunities, and in addition to the Committee on Government Reform and Oversight, 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:

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

3 (2) The wages of many working Americans
4 have not kept pace with the cost of providing for
5 their families.

6 (3) The Federal Government provides billions of
7 dollars in subsidies to businesses each year through
8 both spending programs and the Internal Revenue
9 Code of 1986.

10 (4) Recipients of Federal contracts have bene-
11 fited greatly from the provision of taxpayers' dollars.

12 (5) The Congressional Budget Office concluded
13 that the Federal Government spends more than \$30
14 billion dollars a year on spending and credit pro-
15 grams.

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

19 **SEC. 3. POVERTY LEVEL WAGE.**

20 (a) REQUIREMENT.—

21 (1) GENERAL RULE.—Except as provided in
22 paragraph (2), any employer under a Federal con-
23 tract for an amount exceeding \$10,000 or a sub-
24 contract under a Federal contract for such an
25 amount shall, except as provided in subsection (b),

1 pay each of the employer's employees working on or
2 hired in conjunction with such contract or sub-
3 contract—

4 (A) an hourly wage necessary for such em-
5 ployee to earn, while working 40 hours a week
6 on a full-time basis, the amount of the Federal
7 poverty level for a family of 4 (as published in
8 the Federal Register by the Department of
9 Health and Human Services under the author-
10 ity of section 673(2) of the Omnibus Budget
11 Reconciliation Act of 1981), or

12 (B) \$7.50 an hour,

13 whichever is greater.

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

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

18 (B) a nonprofit organization exempt from
19 Federal income tax under section 501(c) of the
20 Internal Revenue Code of 1986 if the ratio of
21 the total compensation of its chief executive of-
22 ficer to the compensation of the full-time equiv-
23 alent of its lowest paid employee is not greater
24 than 25 to 1,

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

3 (3) SCOPE.—An employer may not avoid the re-
4 quirement of paragraph (1) by laying off or other-
5 wise terminating the employment of an employee
6 with the intention of replacing such employee with
7 an employee who, under subsection (b), is not eligi-
8 ble for the subsection (a) wage.

9 (b) EXCEPTION.—An employee who is participating
10 in—

11 (1) an apprenticeship program, or

12 (2) any other training program which does not
13 exceed 6 months in duration and which is offered to
14 an employee while employed in productive work that
15 provides training, technical and other related skills,
16 and personal skills that are essential to the full and
17 adequate performance of the employee's employ-
18 ment,

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

20 (c) CONTRACT REQUIREMENT.—Any contract be-
21 tween the Federal government and any contractor and any
22 contract between such contractor with a subcontractor to
23 carry out work for the Federal government shall require
24 the contractor or subcontractor to pay the wage prescribed
25 by subsection (a)(1).

1 (d) ENFORCEMENT.—

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

6 (2) INELIGIBILITY.—An employer described in
7 paragraph (1) shall not be eligible for any Federal
8 contract or subcontract for a period of 5 years be-
9 ginning on the date the employer does not pay the
10 required wage.

11 (3) RESTITUTION.—An employer who does not
12 pay the wage required by subsection (a) shall be lia-
13 ble to the United States in an amount equal to the
14 unpaid wages and in addition an equal amount as
15 liquidated damages. The Secretary of Labor shall
16 pay to the employees who were not paid such wage
17 the amount recovered by the United States under
18 this paragraph.

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

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

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