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107TH CONGRESS
1ST SESSION

H. R. 917

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

IN THE HOUSE OF REPRESENTATIVES

MARCH 7, 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

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A BILL

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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Federal Living Wage Responsibility Act''.

SEC. 2. FINDINGS.

The Congress finds the following:

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

(2) As of September 2000, 14,356 workers employed by the Federal Government earned less than the poverty level for a family of four.

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

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

(5) In fiscal year 1999, the Federal Government awarded contracts worth over $208 billion.

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

SEC. 3. POVERTY-LEVEL WAGE.

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

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

(2) an additional amount, determined by the Secretary based on the locality in which a worker resides, sufficient to cover the costs to such worker to

obtain any fringe benefits not provided by the worker's employer.

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

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

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

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

(d) CONTRACT REQUIREMENT.—Any contract subject to subsection (a) shall contain a provision requiring the Federal contractor to ensure that any worker hired under such contract (or a subcontract thereof) shall be paid in accordance with subsection (a).

SEC. 4. ENFORCEMENT BY SECRETARY.

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

(1) CONTRACT CANCELLATION.—After final adjudication of a pattern or practice of violations, the United States may cancel any contract (or the remainder thereof) with the Federal contractor that is a part of the pattern or practice of violations.

(2) RESTITUTION.—A Federal contractor whose contract is cancelled under paragraph (1) shall be liable to the United States in an amount equal to the costs to the Government in obtaining a replacement contractor to cover the remainder of any contract cancelled under paragraph (1).

(3) CONTRACT INELIGIBILITY.—After final adjudication of a pattern or practice of violations, the Federal contractor shall be ineligible to enter into, extend, or renew a contract with the United States for a period of five years after the date of such adjudication.

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

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

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

(2) the Secretary determines, after consultation with the affected Government entity, that cancellation or debarment under subsection (a) would not be in the best interests of the Nation or of such Government entity.

(c) JUDICIAL REVIEW.—Any Federal contractor aggrieved by an adverse determination of the Secretary under subsection (a) may seek review of such determination in an appropriate court.

SEC. 5. EMERGENCIES.

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

SEC. 6. PRIVATE RIGHT OF ACTION.

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

(b) RELIEF.—In this section, the term ''appropriate relief'' means—

(1) injunction of a violation of section 3;

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

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

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

SEC. 7. RULEMAKING.

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

SEC. 8. DEFINITIONS.

In this Act:

(1) The term ''employer'' means a person who has economic power to set a worker's terms and conditions of employment, regardless of the formality of an employment relationship.

(2) The term ''fringe benefits'' means—

(A) medical or hospital care or contributions to a health insurance plan;

(B) contributions to a retirement plan;

(C) life insurance;

(D) disability insurance; and

(E) vacation and holiday pay.

(3) The term ''Secretary'' means the Secretary of Labor.

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