

115TH CONGRESS
2D SESSION

H. R. 7374

To provide consequences to States that reduce their State minimum wage and to redirects Federal funding to those States to the neediest localities.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 20, 2018

Ms. JONES of Michigan (for herself and Mrs. LAWRENCE) introduced the following bill; which was referred to the Committee on Education and the Workforce, and in addition to the Committees on Oversight and Government Reform, and Financial Services, 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 consequences to States that reduce their State minimum wage and to redirects Federal funding to those States to the neediest localities.

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 “Minimum Wage Fair-
5 ness Act of 2018”.

6 **SEC. 2. FINDINGS.**

7 The Congress finds the following:

1 (1) The Federal minimum wage peaked 50
2 years ago in 1968 at \$8.68 in 2016 dollars. Since
3 that time, Americans have watched their wages re-
4 main stagnant despite massive increases in produc-
5 tivity, which has fueled an economically unfair and
6 unjust trend for the Nation. The growing income in-
7 equality has been a destabilizing force on the com-
8 munities of the Nation, the economy, and the Na-
9 tion's very democracy.

10 (2) The Federal minimum wage does not only
11 affect the young and inexperienced worker. More
12 than half of all minimum wage workers are over the
13 age of 24.

14 (3) Nearly 60 percent of States have raised
15 their minimum wage above the Federal minimum
16 wage, and in nearly 25 percent of States the wage
17 is adjusted yearly for inflation.

18 (4) Opponents of minimum wage increases rou-
19 tinely use dire predictions about job losses and the
20 failure of businesses in locations that raise the min-
21 imum wage. These predictions have proven almost
22 entirely untrue. Locations that raise the minimum
23 wage largely reap the benefits of a stronger tax base
24 and increased consumer demand.

1 (5) Those opposed to minimum wage increases
2 frequently use more than misleading campaigns, and
3 in some cases have interfered with democracy to en-
4 sure that the will of citizens is frustrated.

5 (6) Americans deserve a raise and the voters
6 and constituents who support minimum wage in-
7 creases should not be frustrated by anti-democratic
8 special interests who have captured the legislative,
9 executive, and regulatory apparatus of States and lo-
10 calities.

11 **SEC. 3. SAFEGUARDS FOR WORKERS IN STATES THAT RE-**
12 **DUCE THE MINIMUM WAGE.**

13 (a) REVIEW OF MINIMUM WAGE LAWS.—The Sec-
14 retary of Labor shall, within 30 days of the each fiscal
15 year beginning after the date of enactment of this Act,
16 identify any State that has, within the previous fiscal year
17 that began after the date of enactment of this Act, reduced
18 its State minimum wage, or which has reduced a minimum
19 wage increase that would otherwise go into effect.

20 (b) COMMUNICATION OF MINIMUM WAGE REDUC-
21 TION.—The Secretary of Labor shall inform all other Fed-
22 eral agencies responsible for allocating Federal funds to
23 a State for its direct use or for the State to distribute
24 within its boundaries, of any State that has reduced its
25 State minimum wage.

1 (c) REVIEW OF INDIRECT COSTS.—Any head of an
2 agency notified that a State has reduced its State min-
3 imum wage shall review all funds under programs admin-
4 istered by the head of such agency that would otherwise
5 be allocated to a State under Federal law. Such agency
6 head shall then review any funds allocated to that State
7 specifically designated as for use for the State’s adminis-
8 trative costs of any such program. Where such administra-
9 tive costs are not specifically designated, the agency head
10 shall—

11 (1) determine the amount of such Federal
12 funds used by the State to administer any such pro-
13 gram; and

14 (2) presume in the absence of a contrary show-
15 ing, that a similar amount or percentage will be allo-
16 cated by the State in the next fiscal year.

17 (d) REDUCTION IN INDIRECT COSTS.—Upon deter-
18 mining the percentage of Federal funding under a given
19 program provided to a State that is used for administra-
20 tive costs, the head of each agency shall restrict the use
21 of funds by the State for administrative costs, overhead,
22 and salaries for the following year. Such a restriction shall
23 reduce the amount the State may spend on administrative
24 costs by a percentage equivalent to the State’s reduction
25 in its State minimum wage.

1 (e) EXCEPTIONS.—Where the head of an agency has
2 determined that a reduction in program funding for ad-
3 ministrative costs to a State shall constitute a threat to
4 the public health, safety, and welfare of the people of the
5 State, then the head of such agency may withhold from
6 the State for administrative costs a lesser amount than
7 that equivalent to the percentage of the State’s minimum
8 wage reduction.

9 (f) REDIRECTION OF FUNDS.—Where possible, the
10 head of each such agency shall direct any funds withheld
11 from a State under this Act to a municipality located in
12 that State where the municipality is an eligible recipient
13 of the funding program in question, and where the munici-
14 pality would be otherwise eligible to use such funds for
15 administrative costs. Where no such municipality is eligi-
16 ble to directly receive such funds, such funds shall be
17 available to the Secretary of Housing and Urban Develop-
18 ment for use only for grants under title I of the Housing
19 and Community Development Act of 1974 (42 U.S.C.
20 5301 et seq.) for metropolitan cities and urban counties
21 in such State that were eligible to receive grants under
22 such title in the most recent fiscal year for which such
23 grants were made. The amount of the funds allocated pur-
24 suant to this subsection for each such metropolitan city
25 or urban county in the State shall bear the same ratio

1 to the total amount of funds for the State allocated under
2 this subsection as the amount of funds awarded to such
3 city or county under section 106 of such Act for such most
4 recent fiscal year bears to the total amount of funds
5 awarded to all metropolitan cities and urban counties in
6 such State under such section 106 for such most recent
7 fiscal year.

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