

An hourglass-shaped graphic with a globe inside. The top bulb is dark blue, and the bottom bulb is light blue. The globe is a darker shade of blue. The hourglass is centered on the page.

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*Minimum Wage, Overtime Pay, and Child Labor: An  
Inventory of Proposals in the 109th Congress to Amend the  
Fair Labor Standards Act*

William G. Whittaker, Domestic Social Policy Division

November 8, 2006

**Abstract.** In the 109th Congress, it can be expected that further changes will be urged with respect to the FLSA - some to increase worker protections and others, arguably, to allow employers more flexibility by reducing them.

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# CRS Report for Congress

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## **Minimum Wage, Overtime Pay, and Child Labor: An Inventory of Proposals in the 109th Congress to Amend the Fair Labor Standards Act**

**Updated November 8, 2006**

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# Minimum Wage, Overtime Pay, and Child Labor: An Inventory of Proposals in the 109<sup>th</sup> Congress to Amend the Fair Labor Standards Act

## Summary

The Fair Labor Standards Act (FLSA, 29 U.S.C. §§ 201-219) is the basic federal statute dealing with minimum wages, overtime pay, child labor, and related issues. Enacted in 1938, it has been modified through the years to take into account changing workplace trends and to meet new worker and employer demands.

The act has undergone general amendment on eight separate occasions (1949, 1955, 1961, 1966, 1974, 1977, 1989, and 1996) in addition to numerous more specific legislated changes. It has also been the subject of continuing administrative rulemaking by the Department of Labor (DOL) — and has been the focus of extensive litigation that has impacted the manner in which the act is applied.

The FLSA is divided roughly into three parts, corresponding to its subject areas: minimum wage (Section 6), overtime pay (Section 7), and child labor (Section 12). These are accompanied by a body of statutory exemptions or exceptions (Section 13). Definitions appear in Section 3. Other sections deal with administration, penalties, and related matters.

*Nothing in the act requires that Congress revisit the statute.* Amendment has tended to respond to change in the value of the minimum wage. As the level of the wage floor has eroded through inflation, Congress has revisited the FLSA and, while addressing the wage rate, it has also, often, revised coverage patterns and modified overtime pay and other requirements. Child labor, by and large (but with exceptions), has been primarily the responsibility of the Secretary of Labor, operating within general guidelines laid down by Congress.

Until recently, legislation to amend the FLSA had been free-standing — the product of extended hearings. In 1996, that pattern shifted. The 1996 FLSA amendments were adopted as a floor amendment to a broad proposal dealing with business and related tax issues. As a result, some have come to view as a new pattern *a linkage* of labor standards enhancement with sometimes unrelated benefits for employers. Others argue that there is no inherent reason to tie FLSA amendments to benefits for employers.

In the 109<sup>th</sup> Congress, it can be expected that further changes will be urged with respect to the FLSA — some to increase worker protections and others, arguably, to allow employers more flexibility by reducing them. This report will be updated to reflect legislation introduced and/or enacted by the 109<sup>th</sup> Congress.

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# Minimum Wage, Overtime Pay, and Child Labor: An Inventory of Proposals in the 109<sup>th</sup> Congress to Amend the Fair Labor Standards Act

The Fair Labor Standards Act (FLSA, 29 U.S.C. §§ 201-219) is the basic federal statute dealing with minimum wages, overtime pay, child labor, and related issues. Almost immediately after its enactment in 1938, various Members of Congress proposed its amendment to address worker and employer concerns. The act has now undergone general amendment on eight separate occasions (1949, 1955, 1961, 1966, 1974, 1977, 1989, and 1996) in addition to numerous more specific legislated changes in the statute. It has also been the subject of continuing administrative rulemaking by the Department of Labor (DOL).

In the 109<sup>th</sup> Congress, further changes have been proposed — some to increase worker protections and others, arguably, to allow employers more flexibility by reducing them. This report will be updated, periodically, to reflect legislation introduced and/or enacted by the 109<sup>th</sup> Congress.

## An Introduction to the FLSA

When the federal wage and hour statute (the FLSA) was enacted in 1938, it was not an especially new concept. Questions about minimum wages, overtime pay, child labor, and related issues had been a central part of American (and world) labor policy concerns for at least half a century. But only in the wake of the Great Depression (beginning in 1929) was Congress able to forge a comprehensive federal measure that would withstand judicial review while respecting the differing interests of employers and workers.

The FLSA is divided roughly into three parts: minimum wage (Section 6), overtime pay (Section 7), and child labor (Section 12). These are accompanied by a body of statutory exemptions or exceptions (Section 13). Definitions appear in Section 3. Other sections deal with administration, penalties, and related matters.

Enforcement (and interpretation) of the FLSA is a shared responsibility. On occasion, the Congress has been precise about how the act should work. For example, it provides a set statutory minimum wage: currently, \$5.15 per hour.<sup>1</sup> The

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<sup>1</sup> The individual states have often adopted state minimum wage standards that are in excess of the federal statute, or that cover areas that are not covered by the federal enactment. In  
(continued...)

minimum wage remains at the statutory level until Congress takes action to alter it. On the other hand, the Congress (in 1938, but the policy is continuing) mandated that the minimum wage and overtime pay protections of the act “shall not apply with respect to ... any employee employed in a bona fide executive, administrative, or professional capacity ... as such terms are defined and delimited from time to time by regulations of the Secretary.” Having so stated, the Congress moved on to other issues — and, very largely, left the *defining* and *delimiting* up to the Secretary. (See section below — “Overtime Pay.”) Other examples, on each side of the issue, may be raised.

In defining the terms of the FLSA and making it applicable to individual workplaces, the Department has, from time to time, issued *opinion letters* — generally stating its perception of what Congress intended. Such letters can be challenged (and sometimes are), or they can be a catalyst leading to further congressional action.

## The Federal Minimum Wage

The federal minimum wage is set in statute and remains at a fixed rate (declining in value as price levels continue to rise) until changed through legislative action. Although the general rate is currently \$5.15 an hour, there are also a series of *sub-minima* (or special treatments) for students, youth, persons with disabilities, regularly tipped employees, and others. In addition, special consideration for small businesses has been built into the act. For the most part, each of these *sub-minima* is in some measure separate and apart from the general wage rate.<sup>2</sup>

In 1968, the federal minimum wage reached, in relative terms, its highest value: \$1.60 per hour. Had the rate been indexed to the equivalent or real purchasing power of the dollar, its value in January 2006 would have been \$9.05.<sup>3</sup>

### Action of the 109<sup>th</sup> Congress

During early spring 2005, the Senate called up for consideration reform of bankruptcy legislation (S. 256). As floor amendments to that bill, the Senate considered two minimum wage proposals. (See **Table 1**.)

**The Kennedy-Santorum Debate (March 2005).** On March 3, 2005, Senator Edward Kennedy proposed an amendment (S.Amdt. 44) that would have raised the minimum wage, in steps, to \$7.25 an hour beginning 24 months (and 60

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<sup>1</sup> (...continued)

such cases, the state standards, insofar as they are more protective of the worker, normally take precedent.

<sup>2</sup> For consideration of the various *sub-minima*, see CRS Report RL33401, *The Fair Labor Standards Act: Minimum Wage in the 109<sup>th</sup> Congress*, by William G. Whittaker.

<sup>3</sup> CRS Report RS20040, *Inflation and the Real Minimum Wage: Fact Sheet*, by Brian W. Cashell.

days) after enactment of the legislation. In addition, the Kennedy proposal would have applied the federal minimum wage, in steps, to the Commonwealth of the Northern Mariana Islands (CNMI).<sup>4</sup> The Kennedy proposal was defeated (46 ayes to 49 nays) on March 7, 2005.<sup>5</sup>

On March 7, 2005, in connection with the amendments by Senator Kennedy, Senator Rick Santorum introduced a more far-reaching proposal (S.Amdt. 128). It would have (a) raised the minimum wage to \$6.25 an hour, in steps, to have full effect 18 months after enactment; (b) created a program of *compensatory time* as an alternative to ordinary overtime pay; (c) created an enhanced *small business exemption*; (d) altered the *tip credit* under the FLSA; and (e) provided a range of arguably unrelated tax and other incentives for business. The Santorum proposal was defeated (38 yeas to 61 nays) on March 7, 2005.<sup>6</sup>

**The Kennedy-Enzi Debate (October 2005).** On October 18, 2005, Senator Kennedy reintroduced legislation that would have raised the minimum wage. However, on this occasion, the Senator had modified the proposal to lower the rates to \$5.70 and to \$6.25 respectively — the position that Senator Santorum had proposed. Conversely, Senator Michael Enzi had entered a separate proposal that included a lengthy program favored by management: flexible schedules, revision of the “tip credit,” and various accounting provisions, among other items. As the proposal came to a vote, Senator Christopher Bond raised a point of order that the increase in the minimum wage that Senator Kennedy was advancing would be in violation of the Congressional Budget Act of 1974 as an “unfunded mandate.” In turn, Senator Kennedy raised a similar point of order on the Enzi amendment. As a result, each proposal was defeated — not on its substance but, rather, on a point of order.<sup>7</sup>

**The Kennedy-Frist-Enzi Debate (June 2006).** On June 19, 2006, during consideration of the “National Defense Authorization Act for Fiscal Year 2007,” Senator Kennedy proposed an amendment (S.Amdt. 4322) increasing the federal minimum wage and making it applicable to the Commonwealth of the Northern

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<sup>4</sup> *Congressional Record*, Mar. 3, 2005, pp. S1979-S1980. Under the Covenant attaching the Commonwealth of the Northern Mariana Islands to the United States (1975-1976), jurisdiction over labor standards was mixed: overtime pay was to be governed by the United States; minimum wage by the insular government. There may also have been (there appears to be some dispute about this) an option for the United States to reclaim jurisdiction over the minimum wage should conditions in the islands warrant. See CRS Report RL30235, *Minimum Wage in the Territories and Possessions of the United States: Application of the Fair Labor Standards Act*, by William G. Whittaker.

<sup>5</sup> *Congressional Record*, Mar. 7, 2005, p. S2132.

<sup>6</sup> *Ibid.*, pp. S2132-S2133.

<sup>7</sup> See *Congressional Record*, Oct. 18, 2005, pp. S11469-S11470, and Oct. 19, 2005, pp. S11547-S11548. See also *Daily Labor Report*, Oct. 19, 2005, p. A10 and Oct. 20, 2005, p. A15. One industry spokesperson noted: “... if an increase [in the minimum wage] appeared inevitable, one way of softening the impact would be to include some pro-business measures in the bill — like a corresponding increase in the deductibility of business meals.” See *Nation’s Restaurant News*, Sept. 26, 2005, p. 77.

Marianas Islands. At once, Senator William Frist proposed a second-degree amendment (S.Amdt. 4323), relating to abortion, to the Kennedy amendment. Subsequently, Senator Enzi proposed his own minimum wage amendment (S.Amdt. 4376) — though with a wage somewhat lower than that proposed by Senator Kennedy and incorporating a variety of industry-related provisions.

Discussion followed and, with a compromise effected through Senator John Warner, the parties were permitted to proceed. (a) The Frist amendment was allowed to be withdrawn — which it was. (b) Senator Enzi would be allowed to proceed with a first-degree amendment relating to the minimum wage. (c) No new amendments were to be offered to either the original Kennedy amendment or to the subsequent Enzi amendment. And (d) in the event that either amendment should not reach an agreed-upon 60 affirmative votes, it would automatically be withdrawn.

Discussions and debate continued into June 21 and were followed by recorded votes. Although the Kennedy amendment won a sufficient number of votes to have passed (52 yeas to 46 nays), it fell short of the 60 votes required under the agreement — and was automatically withdrawn. The Enzi amendment (with 45 yeas to 53 nays) was also withdrawn.<sup>8</sup>

**Consideration of the Labor, Health and Human Services, and Education Appropriations Bill (2007).** During consideration of the appropriations for the Departments of Labor, Health and Human Services, and Education (2007) on June 13, 2006, by the Appropriations Committee, an amendment was offered by Representative Steny Hoyer that would increase the federal minimum wage to “not less than \$5.85 an hour beginning on January 1, 2007, not less than \$6.55 an hour beginning on January 1, 2008, and not less than \$7.25 an hour beginning on January 1, 2009.” The Hoyer amendment — in committee — was approved by a vote of 32 yeas to 27 nays and, thereafter, the measure was approved by a voice vote.<sup>9</sup> A floor vote may still need to be taken.

**The Estate Tax and Extension of Tax Relief Act of 2006 (H.R. 5970).** On July 28, 2006, H.R. 5970 was introduced and, during the early evening of that day, the bill was reported and was taken up by the House.

H.R. 5970 was a composite bill. It was composed of three units: (a) the Estate Tax (or the so-called “death tax”), (b) the “tax extenders” — a lengthy series of tax and/or credits largely (but not exclusively) related to business, and (c) an increase in the minimum wage, in steps, to \$7.25 per hour. Although there was substantial debate about the bill, it was passed by a vote of 230 yeas to 180 nays.<sup>10</sup>

On August 3, 2006, the Senate took up the House-passed bill — now termed the “trifecta” legislation because of its three somewhat diverse parts. At issue, initially,

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<sup>8</sup> *Congressional Record*, June 21, 2006, pp. S6203-S6204. See also Bureau of National Affairs, *Daily Labor Report*, June 22, 2006, p. AA1.

<sup>9</sup> See Bureau of National Affairs, *Daily Labor Report*, June 14, 2006, p. AA1.

<sup>10</sup> *Congressional Record*, July 28, 2006, pp. H6220-H6221.



was the matter of cloture. After extended debate, the bill was brought to a vote. The vote on cloture was 56 ayes to 42 nays. The qualifying vote would have been 60 votes under the current cloture rules and, thus, the bill was not adopted.

## Action Proposed

*Senator Debbie Stabenow*, on January 24, 2005, introduced S. 14, a composite infrastructure and jobs bill, part of which would increase the minimum wage to \$7.25 an hour 24 months (and 60 days) after enactment. The bill was referred to the Committee on Finance. (See, also, **Table 2** for overtime pay proposals.)

*Representative Phil English*, on March 3, 2005, introduced H.R. 1091, a bill (a) to increase the minimum wage, in steps, to \$6.50 beginning October 1, 2008, but to increase the pattern of exemption to eliminate employers with nine or fewer employees; (b) to allow for an altered *small business exemption* under the act; and (c) to provide assorted business incentives unrelated to the minimum wage. The bill was referred to the Committee on Ways and Means and to the Committee on Education and the Workforce.

On May 11, 2006, Representative English introduced a second minimum wage bill: H.R. 5368. The new bill would have increased the minimum wage, in steps, to \$7.50 an hour to take effect on October 1, 2009. However, the bill also proposed new (or expanded) exemptions under the minimum wage and a series of incentives for industry that were, arguably, unrelated to the minimum wage. The bill was referred to the House Committee on Ways and Means and to the Committee on Education and the Workforce.

On May 18, 2005, *Senator Kennedy* and *Representative George Miller* introduced bills that would raise the federal minimum wage to \$7.25 per hour (over a period of years) and would amend treatment of the minimum wage in the Commonwealth of the Northern Mariana Islands (S. 1062 and H.R. 2429, respectively). The Miller bill was referred to the House committee on Education and the Workforce and, on June 22, 2005, was referred to the Subcommittee on Workforce Protections.<sup>11</sup> The Kennedy proposal was placed on the Senate Legislative Calendar under General Orders (Calendar No. 109).

See, also, S. 2357 (“The Right Time to Reinvest in America’s Competitiveness and Knowledge Act”), introduced by Senator Kennedy — one part of which deals with the minimum wage, raising the standard to \$7.25 per hour 24 months (and 60 days) after enactment. The bill also contains a CNMI provision.

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<sup>11</sup> On Dec. 15, 2005, Rep. John Barrow introduced H.Res. 614, “Providing for consideration of the bill (H.R. 2429) to amend the Fair Labor Standards Act of 1938 to provide for an increase in the Federal minimum wage.” On Feb. 28, 2006, a motion was filed to discharge the Rules Committee from consideration of H.Res. 614. In late May 2006, there were 188 signatures on the Discharge Petition.

**Representative Robert Andrews**, on June 7, 2005, proposed the “Camp Safety Act of 2005.” The bill would “condition the minimum-wage-exempt status of organized camps under the Fair Labor Standards Act of 1938 on compliance with certain safety standards...” The bill was referred to the House Committee on Education and the Workforce and, on June 11, to the Subcommittee on Workforce Protections.

**Representative Sherwood Boehlert**, on July 25, 2005, introduced the “Minimum Wage Competitiveness Act of 2005.” The Boehlert bill would increase the federal minimum wage, in steps, to \$7.15 an hour beginning on January 1, 2007. The bill also includes a provision raising the minimum wage of the CNMI in steps until it reaches the federal (national) minimum wage. Sent to the House Committee on Education and the Workforce, the bill was referred to the Subcommittee on Workforce Protections.

**Representative Darrell Issa**, on September 13, 2005, introduced legislation affecting the tip provisions under the minimum wage: H.R. 3732, the “Minimum Wage Fairness Act of 2005.” Under current federal law, the employer of a *tipped employee* is allowed to count a portion of tips received by the employee toward his or her minimum wage, reducing the mandatory wage required to \$2.13 per hour — so long as the tip income brings an employee’s earnings to at least \$5.15 per hour. The Issa proposal would restructure the tip provisions of the FLSA. The bill was referred to the Subcommittee on Workforce Protections.

On December 13, 2005, Representative Issa introduced H.R. 4505, the “Health Care Incentive Act.” The act would require the Secretary of Labor to promulgate rules through which minimum wages (both state and federal), in excess of the current standard (\$5.15 per hour), could be directed toward a program for various health care services for minimum wage employees. The bill was referred to the Subcommittee on Workforce Protections.

**Senator Hillary Rodham Clinton**, on May 4, 2006, introduced S. 2725, the “Standing with Minimum Wage Earners Act of 2006,” which would raise the federal minimum wage, in steps, to \$7.25 per hour beginning 24 months (and 60 days) after enactment. The bill includes an indexation formula: the minimum wage “... shall be automatically increased for the year involved by a percentage equal to the percentage by which the annual rate of pay for Members of Congress increased for such year....” The bill was referred to the Committee on Health, Education, Labor, and Pensions.

**Representative Al Green**, on June 29, 2006, introduced H.R. 5731, a bill that would provide “for the calculation of the minimum wage based on the Federal poverty guidelines published by the Department of Health and Human Services.” The bill was referred to the Committee on Education and the Workforce.

## Overtime Pay

In general, the overtime requirements of the FLSA call for a 40-hour workweek — after which a worker must be compensated at not less than a rate of 1½ times his or her regular rate of pay. No daily hours standard is provided, allowing for flexibility within the context of a 40-hour week. Exceptions under the act are technical and complex, but allow employers and their employees a variety of options within the general requirements of the statute. However, generally, each week is regarded as a unit: hours may not be moved from one week to the next without payment of overtime rates for the week during which the time is counted (actually worked). (See **Table 2**.)

### Action Proposed

On March 31, 2003, DOL proposed a restructuring of the *executive*, *administrative*, and *professional* (EAP) exemption under the act (29 C.F.R. Part 54I). After a year of controversy, the new regulations, somewhat altered, went into effect in late August 2004.<sup>12</sup>

Three bills of the 109<sup>th</sup> Congress propose a reversal of the Department's action and would index subsequent earnings levels for EAP coverage. These include *Senator Stabenow* (the "Fair Wage, Competition, and Investment Act of 2005"); *Senator Thomas Harkin* (the "Overtime Rights Protection Act"); and *Senator Richard Durbin* (the "Overtime Rights Protection Act"). Senator Harkin's bill is freestanding; those of Senators Stabenow and Durbin are composite bills. The Harkin bill was referred to the Committee on Health, Education, Labor, and Pensions. The Durbin bill was read the second time and placed on the Legislative Calendar under General Orders (Calendar No. 80). Senator Stabenow's bill was referred to the Committee on Finance.

### In Order Proposed Action

Under the premise that (a) there is a shortage of nurses for American hospitals, (b) that those within the profession are often overworked, and (c) that such overwork and extended hours of work have caused nurses to seek other (alternative) professions, several bills have been introduced that would limit or restrict the hours hospital nurses work.<sup>13</sup>

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<sup>12</sup> The Department of Labor's proposal (now in place) carried two provisions. The first was an increase in the earnings test for exemption. The second part was a duties test: i.e., did those identified as executives, administrators, or professionals actually perform duties befitting their exempt status? See CRS Report RL32088, *The Fair Labor Standards Act: A Historical Sketch of the Overtime Pay Requirements of Section 13(a)(1)*, by William G. Whittaker.

<sup>13</sup> The various bills, dealing with nursing, seek to amend the Social Security Act. While each deals with hours of work, none appears to be directly related to FLSA.

*Senator Daniel Inouye* has proposed S. 71, the “Registered Nurse Safe Staffing Act of 2005,” which would “provide for patient protection by establishing minimum nurse staffing ratios at certain Medicare providers.” Introduced January 24, 2005, the bill was referred to the Committee on Finance.

*Senator Kennedy* and *Representative Fortney Stark* have introduced bills that would amend the Social Security Act “to provide for patient protection by limiting the number of mandatory overtime hours a nurse may be required to work” by certain providers of services under the Medicare program. Each bill was titled the “Safe Nursing and Patient Care Act of 2005.” The Kennedy bill (S. 351) was introduced on February 10, 2005, and referred to the Committee on Finance. The Stark bill (H.R. 791) was introduced on February 14, 2005, and referred to the Committee on Energy and Commerce and to the Committee on Ways and Means.

## Child Labor Legislation

Efforts to restrict or to regulate child labor date from the 19<sup>th</sup> century. After a series of federal initiatives uniformly deemed unconstitutional, language dealing with child labor was incorporated within the original FLSA of 1938.

Under current federal law, jurisdiction is divided between the Congress and the Secretary of Labor.<sup>14</sup> Congress has enacted very general standards under the FLSA; but, on occasion, it has also written precise language governing the work of children and youth. The Department, for its part, has established hazardous occupations orders (both for industry and for agriculture), restricting the employment of child/youth workers. These orders (HOs) currently affect workers in 11 fields of agriculture and 17 fields for industry.<sup>15</sup>

### Action Proposed

Through the years, Congress has dealt with a variety of child labor issues. In the 109<sup>th</sup> Congress, several bills have been introduced. (See **Table 3**.)

*Representative Mark Foley*, on March 8, 2005, introduced H.R. 1142, the “Child Modeling Exploitation Prevention Act.” The bill deals with the use of children under 17 years of age “in the production of exploitive child modeling,” and for related purposes. The bill was referred to the Committee on Education and the Workforce, Subcommittee on Workforce Protections, and to the Committee on the Judiciary.

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<sup>14</sup> States have often enacted statutes dealing with child labor. Where there is a conflict between state and federal laws, the standards more nearly protective of children and youth workers will normally take precedent.

<sup>15</sup> See CRS Report RL32881, *The Department of Labor’s New Rules for Working Children and Youth: February 2005*; and CRS Report RL31501, *Child Labor In America: History, Policy, and Legislative Issues*, both by William Whittaker.

**Representative Tom Lantos**, on June 13, 2005, introduced the “Youth Worker Protection Act” (H.R. 2870). The bill is comprehensive. It deals with the general employment of minors, work permits, restriction on hours of work, prohibition of *youth peddling*, child labor in agricultural work, and mandates review and reporting requirements. It was referred to the Committee on Education and the Workforce, and to the Subcommittee on Workforce Protection.

**Representative Lucille Roybal-Allard**, on July 27, 2005, introduced H.R. 3482, the “Children’s Act for Responsible Employment of 2005” (or the CARE Act). The bill focuses upon child labor in agriculture — but deals with other child labor (and child welfare) issues as well. The bill was referred to the Committee on Education and the Workforce, and to the Subcommittee on 21<sup>st</sup> Century Competitiveness.

**Representative Rosa DeLauro**, with others, introduced H.R. 4190, the “Safe at Work Act.” The bill is divided into two parts. First, the bill mandates that the Secretary of Labor may not enter into any agreement to provide prior notice to an employer before commencing an investigation or inspection. Second, it requires the Comptroller General to conduct a study of violations of child labor laws (and to include “allegations of” such violations) during the five-year period prior to the bill’s enactment. A report would be made to the Congress. The bill was referred to the House Committee on Education and the Workforce, and to the Subcommittee on Workforce Protections.

**Senator Larry Craig**, on the assumption that federal law has not kept up with changes in “home schooling,” introduced S. 1691, the “Home School Non-Discrimination Act of 2005.” A roughly comparable bill was introduced in the House by **Representative Marilyn Musgrave** (H.R. 3753). The Craig/Musgrave bills deal broadly with home schooling. One provision would mandate that the Secretary of Labor “shall extend” the permissible hours of work for home-schooled students (14 to 16 years of age) beyond those already permissible for public school students. The Craig bill was referred to the Committee on Finance; the Musgrave bill, to the Committee on Education and the Workforce, Subcommittee on Education Reform, and to the House Armed Services Committee.

## An Inventory of Legislative Proposals

In the 109<sup>th</sup> Congress, legislative proposals dealing with the minimum wage, overtime pay, and child labor have taken a variety of forms. The tables that follow provide a simple overview of the various initiatives, broken down by the three general categories: minimum wage, overtime pay, and child labor. In some cases, a particular bill will be listed in more than one table. A final table lists other bills associated in some manner with the FLSA.

**Table 1. Minimum Wage Proposals of the 109<sup>th</sup> Congress**  
(the federal minimum wage is now \$5.15 per hour)

Bill no.	Sponsor	Increase minimum to:	Effective date for the final step increase	Action beyond referral	Other components
S.Amdt. 44	Kennedy	\$7.25	To \$5.85 on 60 <sup>th</sup> day after enactment; to \$6.55 one year (and 60 days) later; and \$7.25 two years (and 60 days) later	Defeated, Mar. 7, 2005, 46 yeas to 49 nays	CNMI wage component <sup>a</sup>
S.Amdt. 128	Santorum	\$6.25	To \$5.70 six months after enactment; to \$6.25, one year and six months after enactment	Defeated, Mar. 7, 2005, 38 yeas to 61 nays	Contains other wage, unrelated industry components
S.Amdt. 2063	Kennedy	\$6.25	To raise the minimum wage, in steps, to \$6.25	Defeated on point of order, Oct. 19, 2005: 47 yeas, 51 nays	CNMI wage component <sup>a</sup>
S.Amdt. 2115	Enzi	\$6.25	To raise the minimum wage, in steps, to \$6.25	Defeated on point of order: Oct. 19, 2005: 47 yeas, 52 nays	Contains other wage, unrelated industry components
S.Amdt. 4322	Kennedy	\$7.25	To \$5.85 on 60 <sup>th</sup> day after enactment; to \$6.55 one year (and 60 days) later; and \$7.25 two years (and 60 days) later	On June 21, 2006, amendment <i>withdrawn</i> (vote, 52 yeas to 46 nays)	CNMI wage component <sup>a</sup>

Bill no.	Sponsor	Increase minimum to:	Effective date for the final step increase	Action beyond referral	Other components
S.Amdt. 4376	Enzi	\$6.25	To raise the minimum wage, in steps, to \$6.25	On June 21, 2006, amendment <i>withdrawn</i> (vote, 45 yeas to 53 nays)	Contains other wage, unrelated industry components
H.Amdt. 1123	Obey	\$7.25	To raise the minimum wage, in steps, to \$5.85 on Jan. 1, 2007, to \$6.55 on Jan. 1, 2008, and to \$7.25 beginning on Jan. 1, 2009.	On June 28, 2006, on a motion by Rep. Wolf, the Obey motion was declared to be out of order.	—
H.Res. 614	Barrow	—	—	Provides for consideration of H.R. 2429 (Miller): to House Rules Committee, subject of a discharge petition	—
H.R. 1091	English	\$6.50	To \$5.50, Oct. 1, 2006; to \$6.00, Oct. 1, 2007; and to \$6.50, on Oct. 1, 2008	—	Amends the <i>small business exemption</i> ; alters the pattern of minimum wage coverage; and provides assorted business incentives
H.R. 2429	Miller, George		To \$5.85 on 60 <sup>th</sup> day after enactment; to \$6.55 one year (and 60 days) later; and \$7.25 two years (and 60 days) later. (See H.Res. 614, above)	—	CNMI wage component <sup>a</sup>

Bill no.	Sponsor	Increase minimum to:	Effective date for the final step increase	Action beyond referral	Other components
H.R. 2748	Andrews, Robert	—	—	—	Conditions minimum-wage exempt status of camps upon compliance with certain safety standards
H.R. 3413	Boehlert	\$7.15	To \$6.00 on 60 <sup>th</sup> day after enactment; to \$6.75 on Jan. 1, 2006; and to \$7.15 after Jan. 1, 2007	—	CNMI wage component <sup>a</sup>
H.R. 3732	Issa	—	Would amend the manner in which the “tip credit” is calculated	—	—
H.R. 4190	DeLauro	—	—	—	Prevents Sec. of Labor from agreeing to provide prior notice before start of investigation
H.R. 4505	Issa	—	Allows employers to credit wages above current minimum wage (\$5.15 per hour) to mandatory health care services	—	—
H.R. 5368	English	\$7.50	To increase the federal minimum wage, in steps, until \$7.50 is reached on Oct. 1, 2009	—	Provides small business tax incentives, limits minimum wage coverage to employers of 10 or more, raises minimum wage exemption from \$500,000 to \$1 million for the year ending Sept. 30, 2008, with other items



Bill no.	Sponsor	Increase minimum to:	Effective date for the final step increase	Action beyond referral	Other components
H.R. 5550 (Relates to CNMI)	Miller, George	Amount equal to the minimum wage under the FLSA	Would raise the insular minimum wage to equal the FLSA minimum wage as of Jan. 1, 2009	Referred to committees, Resources, Ways and Means	Deals with labeling of products, trade practices, immigration, job training; mandates certain studies and other considerations
H.R. 5731	Green, Al	—	—	—	To provide for calculation of minimum wage on basis of HHS poverty guidelines
H.R. 5787	Boehert	\$7.15	To increase the federal minimum wage, in steps, until \$7.15 is reached one year and 60 days after enactment	—	CNMI wage component is included <sup>a</sup>
H.R. 5917	Sodrel	—	—	—	Amends Internal Revenue Code as it deals with <i>tips</i> (gifts), exempting portions of such tips from various employment-related taxes
H.R. 5970	Thomas	\$7.25	To increase the federal minimum wage, in steps, to \$7.25 after June 1, 2009	Passed the House on July 28, 2006, vote of 230 ayes to 180 nays; cloture denied in Senate, Aug. 3, 2006.	Bill contains multiple tax and related items including the “extenders” and an inheritance tax (or the so-called “death tax”).

Bill no.	Sponsor	Increase minimum to:	Effective date for the final step increase	Action beyond referral	Other components
S. 14	Stabenow	\$7.25	To \$5.85 on 60 <sup>th</sup> day after enactment; to \$6.55 one year (and 60 days) later; and \$7.25 two years (and 60 days) later	—	Part of a composite bill on infrastructure and related matters.
S. 846	Durbin	\$7.25	To \$5.85 on 60 <sup>th</sup> day after enactment; \$6.55 twelve months later; and \$7.25 24 months after the 60 <sup>th</sup> day from enactment. (On Apr. 20, 2005, placed on Senate Legislative Calendar under General Orders: Calendar No. 80.)	—	Contains an overtime pay provision; also deals with multiemployer pension plans
S. 1062	Kennedy	\$7.25	To \$5.85 on 60 <sup>th</sup> day after enactment; to \$6.55 one year (and 60 days) later; and \$7.25 two years (and 60 days) later. (On May 19, 2005, placed on the Senate Legislative Calendar under General Orders: Calendar No. 109.)	—	CNMI wage component <sup>a</sup>
S. 2357	Kennedy	\$7.25	To \$5.85 on 60 <sup>th</sup> day after enactment; to \$6.55 one year (and 60 days) later; and \$7.25 two years (and 60 days) later	—	Composite bill with wage provisions added; contains a CNMI component <sup>a</sup>

Bill no.	Sponsor	Increase minimum to:	Effective date for the final step increase	Action beyond referral	Other components
S. 2725	Clinton	\$7.25	To \$5.85 on 60 <sup>th</sup> day after enactment; to \$6.55 one year (and 60 days) later; and \$7.25 two years (and 60 days) later	—	Contains an indexation provision
S. 3779	Boxer	—	—	—	Would link any minimum wage increase during 2006 (associated with the Estate Tax, etc.) to salaries of Members of Congress
S. 3829	Stabenow	\$7.25	To \$5.58 beginning the 60 <sup>th</sup> day after enactment, to \$6.55 twelve months later, and to \$7.25 24 months later.	—	Part of a composite tax and infrastructure bill

- a. The bill would extend federal minimum wage protection, in steps, to workers in the Commonwealth of the Northern Mariana Islands (CNMI).

**Table 2. Overtime Pay Proposals of the 109<sup>th</sup> Congress**

Bill no.	Sponsor	Action beyond referral	Impact	Other components
H.R. 791	Stark	—	Limits mandated overtime for nurses serving Medicare patients, with other related provisions	—
S. 14	Stabenow	—	Would reverse DOL overtime pay requirements for <i>executive, administrative, and professional, inter alia</i> (a)	Part of a composite bill on infrastructure and related matters.
S. 71	Inouye	—	Limits mandated overtime for nurses serving Medicare patients, with other related provisions	—
S. 223	Harkin	—	Would reverse DOL overtime pay requirements for <i>executive, administrative, and professional, inter alia</i> <sup>a</sup>	—
S. 351	Kennedy	—	Limits mandated overtime for nurses serving Medicare patients, with other related provisions	—
S. 846	Durbin	—	Would reverse DOL overtime pay requirements for <i>executive, administrative, and professional, inter alia</i> . Placed on Legislative Calendar under General Orders. Calendar No. 80. <sup>a</sup>	Contains minimum wage requirements

- a. The bill would impose restraints upon DOL's authority, under Section 13(a)(1), to reduce the duties requirements for overtime pay exemption, with other elements. For the future, the earnings threshold of the act would be indexed. See CRS Report RL32088, *The Fair Labor Standards Act: A Historical Sketch of the Overtime Pay Requirements of Section 13(a)(1)*, by William G. Whittaker.

**Table 3. Child Labor Proposals of the 109<sup>th</sup> Congress**

<b>Bill no.</b>	<b>Sponsor</b>	<b>Action beyond referral</b>	<b>Impact</b>
H.R. 1142	Foley	—	To prohibit “exploitive child modeling” involving persons under 17 years of age
H.R. 2870	Lantos	—	A comprehensive overview of child labor with restrictions placed upon child workers: school-to-work transition; prohibition of <i>youth peddling</i> ; mandates reporting requirements; and imposes certain other restraints
H.R. 3482	Roybal-Allard	—	Focuses upon agricultural child workers and their problems; contains other implications as well
H.R. 3753	Musgrave	—	Comprehensive home school bill; suggests that “home schooled students” (14 to 16 years of age) be permitted to work longer than hours worked by public school students
H.R. 4190	DeLauro	—	Mandates a study by the Comptroller General of child labor practices through the preceding five-year period
S. 1691	Craig	—	Comprehensive home school bill; suggests that “home schooled students” (14 to 16 years of age) be permitted to work longer than hours worked by public school students
S. 2357	Kennedy	—	Comprehensive bill (368 pp.) that refers to restriction of child labor and enforcement of international recognized labor standards dealing with child labor

**Table 4. Other Proposals that Deal with Subjects Associated with the Fair Labor Standards Act**

Bill no.	Sponsor	Action beyond referral	Impact
H.R. 4613	Velazquez	—	Would add to the FLSA a “Garment Consumer’s Right-to-Know” provision. Requires record-keeping and reporting requirements in order to eradicate <i>sweatshops</i> . Provides a system of fines, other requirements.
H.R. 5635	Brown, Sherrod	—	The “Decent Working Conditions and Fair Competition Act.” Generally prohibits international commerce in prison-made or sweatshop-made goods; provides a limited <i>private right of action</i> ; requires the federal government to abstain from such commerce.
H.R. 5998	Gutierrez	—	The “Federal Living Wage Responsibility Act.” 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 employee an amount “not less than the amount of the Federal poverty level for a family of four” and an additional amount “determined by the Secretary ... sufficient to cover the costs to such worker to obtain any fringe benefits not provided by the worker’s employer.” Certain small businesses and nonprofits are exempted. The proposal explains enforcement/compliance policies.
S. 3485	Dorgan	—	The “Decent Working Conditions and Fair Competition Act.” [This bill is essentially the same as H.R. 5635, above.]