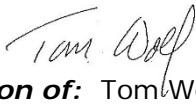


Executive Order

Commonwealth of Pennsylvania
Governor's Office

Subject:
Minimum Wage for Employees of the Commonwealth and of Organizations Receiving State Contracts

Number:
2016-02 Amended


By Direction of: Tom Wolf, Governor

Date: June 28, 2018

- WHEREAS, the inflation-adjusted hourly earnings of the bottom fifth of Pennsylvania workers are lower today than they were in 1979; and
- WHEREAS, the current minimum wage of \$7.25 per hour has 26 percent less purchasing power than the minimum wage had in 1979; and
- WHEREAS, the decline in the purchasing power of the minimum wage is the major reason why the earnings of the lowest-paid Pennsylvanians have fallen; and
- WHEREAS, a full-time, year-round worker earning the current minimum wage earns less than the federal poverty threshold for a family of two; and
- WHEREAS, studies have consistently shown that increases in the minimum wage have not reduced the employment of low-wage workers; and
- WHEREAS, an increase in the minimum wage will lead to increases in employee morale, productivity, and quality of work and decreases in turnover and the costs of training and supervision; and
- WHEREAS, it is the policy of this administration to increase efficiency and achieve cost savings in state government; and
- WHEREAS, an increase in the minimum wage will achieve efficiency and cost savings for state government and reduce state expenditures on income support programs;

NOW, THEREFORE, I, Tom Wolf, Governor of the Commonwealth of Pennsylvania, by the virtue of the authority vested in me by the Constitution and laws of the Commonwealth of Pennsylvania do hereby direct the following:

- 1. Minimum Wage.** All employees covered by this order, other than tipped employees, shall be paid no less than:
 - a.** \$12.00 per hour after the effective date of this Executive Order;

b. Beginning July 1, 2019, and annually thereafter, the minimum wage shall be increased by of \$0.50 until July 1, 2024, when the minimum wage reaches \$15.00. Thereafter, the minimum wage rate would be increased by an annual cost-of-living adjustment using the percentage change in the Consumer Price Index for All Urban Consumers (CPI-U) for Pennsylvania, New Jersey, Delaware and Maryland. The applicable amount shall be published in the Pennsylvania Bulletin by March 1 of each year to be effective the following July 1.

2. **Coverage.** For the purpose of this order, "employee" is defined as in the *Minimum Wage Act of 1968*. Employees exempt from the minimum wage under the *Minimum Wage Act of 1968* shall not be covered by this Executive Order. The employees covered by this Executive Order are:

a. Employees of Commonwealth agencies under the jurisdiction of the Governor.

b. Employees who:

(1) directly perform services or construction; or

(2) directly perform services for the Commonwealth and are employed by a lessor of property to the Commonwealth; or

(3) spend at least 20 percent of their working time in a given work week performing an ancillary service

Called for in a new lease of property or contract for services or construction exceeding the applicable small purchase threshold entered into with a Commonwealth agency under the jurisdiction of the Governor, including bilateral modifications to existing such leases or contracts, after the effective date of this Executive Order.

3. **Implementation.** All Commonwealth agencies under the jurisdiction of the Governor shall take all steps necessary to implement this Executive Order. Independent agencies, state-affiliated entities, and state-related institutions are also strongly encouraged to implement this Executive Order.

4. **Sanctions.** Failure of a covered contractor or lessor to comply with the provisions of this Executive Order may result in the imposition of sanctions, which may include, but shall not be limited to, termination of the contract or lease, nonpayment, debarment or referral to the Office of General Counsel for appropriate civil or criminal referral.

5. **Application.**

a. Nothing in this Executive Order shall be construed to contravene or supersede:

(1) Any state or federal law or collective bargaining agreement; or

(2) Any state or local policy requiring a covered employee to be paid more than the minimum wage required by this Executive Order.

b. The provisions of this Executive Order shall not be applicable when such provisions may jeopardize the receipt of Federal funds.

- c. This Executive Order is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the Commonwealth of Pennsylvania, its departments, agencies or entities, its officers, employees or agents, or any other person.

- 6. **Effective Dates.** This Executive Order shall take effect on the following dates and shall remain in effect until modified or rescinded:
 - a. For employees described in Section 2(a) of this Executive Order, July 1, 2018.
 - b. For employees described in Section 2(b) of this Executive Order, on the effective date of the applicable contract or lease solicited or bilaterally modified on or after July 1, 2018.