

# ALACHUA COUNTY LABOR COALITION

ORGANIZING SOCIAL & ECONOMIC JUSTICE FOR ALL!

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## Executive Summary:

On April 12, 2016 the Alachua County Board of County Commissioners approved the [Alachua County Government Minimum Wage](#) (GMW) Ordinance, which requires most hired contractors and subcontractors to pay their employees at or above the County's lowest waged employee. For FY2018 this rate is \$13.50 an hour or \$15.60 if the employer does not provide healthcare. Of the 104 contracts executed by the County since the adoption of the GMW, 79 contracts fell under its purview. While this represents 76% of all contracts executed, it represents 84.5% of all money the County spent on contracts during this period.

The implementation of the GMW has resulted in the raising of wages for many low paid workers with very little oversight or need to seek corrective action against contractors. Furthermore, the ripple effect of these wage increases has added upward pressure resulting in increased wages for similarly situated jobs in the greater Alachua County labor market. In short, this policy has been successful in raising wages and should be replicated in Cities and Counties throughout Florida.

## Background:

The minimum wage was first set in 1938 at \$0.25 per hour. Congressional action is required to make alterations to the federal minimum wage. Most recently, the federal minimum wage was raised from \$5.15 to \$7.25 in 2007 over a 3-year time span.

In 2004, Florida passed Amendment 5, which indexed the Florida minimum wage--then at \$6.35--to inflation, with 71% of the vote. Amendment 5 is the reason the Florida minimum wage in 2019 is \$8.24, which stands \$1.21 higher than the federal minimum wage.

The Florida Constitution clearly states that all workers are to be paid a living wage:

*All working Floridians are entitled to be paid a minimum wage that is sufficient to provide a decent and healthy life for them and their families, that protects their employers from unfair low-wage competition, and that does not force them to rely on taxpayer-funded public services in order to avoid economic hardship.*

[-FL Constitution. Article X, Section 24](#)

Unfortunately, [FL Statute 218.077](#) preempts local governments from enacting a living wage that is not solely for their workers, their contractors, or entities receiving tax incentives. A lawsuit from Miami Beach that challenged the constitutionality of this statute was shot down in [2019 by Governor Desantis' Florida Supreme Court](#). The Alachua County Labor Coalition is working with organizations throughout the state to repeal statute 218.077. However, due to the statewide political environment, which has been hostile to progressive politics, the Alachua County Labor Coalition decided to act locally.

In 2015, a campaign was launched to push the 10 largest employers in Alachua County to pay a living wage by 2020. In response, the Alachua County Commission was one of the first entities to increase their wages when they passed the strongest, most progressive living wage ordinance (the GMW) in the state of Florida. Progress has been made at the University of Florida, the City of Gainesville, the Alachua County School Board, Nationwide, and Santa Fe College, but more movement on wages are needed.

## The Government Minimum Wage in Practice:

The County Ordinance requires all contractors to pay their employees the County government minimum wage while working on County projects. This rate is calculated every October and increases as the wages of direct County employees increase. This ensures that there isn't unfair competition on wages between direct County employees and contractors. The contractor is also required to [hang a sign](#) stating the wage their employee is entitled to in an area where their normal postings from the Department of Labor, OSHA, etc. are posted.

For those without employer-provided healthcare, the contractor must pay the non-healthcare wage, which is calculated by adding the average premium under the Affordable Care Act (Gold Plan) for Alachua County.

The GMW Ordinance currently applies to all contracts over the bid threshold of \$50,000 which service agriculture and forestry; clerical or other non-supervisory office work, including secretarial, typing, data entry, filing, transcription, specialized billing, sorting or completing forms, and word, data, and information processing; construction; food preparation and distribution; janitorial and custodial; landscaping and grounds maintenance; facilities maintenance; refuse removal and recycling; printing and reproduction; and security.

Contracts are exempt from the GMW if the organization is a 501(c), the contract is set by the State of Florida, the contract is an interlocal agreement, or federal funds are used. The GMW can also be suspended in case of emergency purchases. The GMW is exempted when the County uses inmate labor, although as of 2019 the County ceased using incarcerated workers.

In practice there have only been 25 contracts exempt from the GMW. Of these the largest at over \$8,097,100.00 are for the procurement of products such as asphalt and medication.

Products are not a covered service and their inclusion in the GMW is not possible. With six contracts totalling \$632,500, federal funding source is the second largest reason for exemption from the GMW. There is not currently a mechanism to require contracts using federal funds to pay a higher wage than state minimum. Many of these contracts use the [federal prevailing wage](#), which exceed the GMW.

There have been two contracts in FY2017-18 totaling \$1,615,000. The [Community Agency Partnership Program](#) (CAPP) made up the lion's share with \$1,150,000. The Alachua County Labor Coalition believes strongly that every worker deserves a living wage and is exploring options to encourage 501(c) organizations to bring their pay up to the GMW.

## Conclusions:

The passage of the Government Minimum Wage Ordinance at the Alachua County Commission has proven to be a successful mechanism to increase pay for contract workers. It has done so with minimal disruptions to the current procurement scheme and without any known violations from employers. The benefits of the ordinance are numerous and should be replicated where applicable.

## Charts and Figures:

A full list of the data used to compile this report can be found [here](#). Note that the Fiscal Year (FY) runs from 1 October and ends 30 September the following year.

FY 2017/18 Alachua County Government Minimum Wage Total Exemptions				
	Number	Percent Number	Dollar amount	Percent Dollar Amount
Total Bids	104		\$66,605,518.67	
Total exempt	25	24%	\$10,344,600.00	15.53%

FY 2017/18 Alachua County Government Minimum Wage Exemptions				
Reason	Number	Percent Number	\$	%
Revenue	1	4%	\$0.00	0.00%
501(c)	2	8%	\$1,615,000.00	15.61%
Federal Funding	6	24%	\$632,500.00	6.11%
Product	16	64%	\$8,097,100.00	78.27%

