

Prevailing Wage/Benefits Overview

The Problem

- Local governments often require private employers pay a minimum wage or provide employee benefits through its purchasing or procurement contracts that is higher than the federal or state minimum wage or not required by law, which interferes in the free market, increases costs, decreases competitiveness, and creates a patchwork of regulations for businesses operating in more than one jurisdiction.
- If local governments want to pay their employees higher wages than the state or federal minimum wage, they can, but some local governments are abusing FS 218.077 to require higher wages and benefits well above the state minimum wage.

Why It's Important

- Prevailing wages and benefits increase the cost of doing business with a local government at the expense of the taxpayer. If labor costs increase, the cost of the contract also increases, which is ultimately paid by the taxpayer.
- Prevailing wages make it more difficult for local small businesses to compete as small businesses may not be able to afford the higher wages and benefits to apply for the government contract.
- Setting prevailing wages and benefits make it more challenging for local businesses not doing government work to hire individuals or forces local businesses to increase wages and benefits to be competitive with the government
- Local government mandates, like prevailing wages, produce a patchwork of regulations that make it difficult for businesses to operate in multiple government jurisdictions.
- Labor unions have started to use the ability of local governments to set wages in their contracts to circumvent the collective bargaining process.

Prevailing Wages and Benefits are Widespread in Florida

- Over 31 percent of Florida's population could be paying higher local taxes due to local ordinances requiring prevailing wages and increased benefits.
- Political subdivisions through their procurement processes (even if not required by law) often negotiate for increased wages or benefits including, but not limited to: medical insurance (health, dental, vision, etc.), sick time, holidays, paid leave, vacation time, retirement benefits, hours of work, and seniority clauses.
 - Note: all contracts will differ on wages/benefits required if they are not statutorily required, as they are negotiated by both parties (another burden on local businesses as they oftentimes do not have the same negotiating power as a larger employer).
- See chart outlining the prevalence and severity of these requirements on Page 2 of this document.

Political Subdivision	Required by Law/Sought Through Procurement	Overview
Alachua County	Required by Law – Alachua County Ordinance No. 16-05	<p>Wages & benefits required are determined by Alachua County.</p> <p>Includes most professions that would contract with a local government.</p> <p>The Alachua County Government Minimum Wage, which applies to covered private employers contracting with the City is \$16/hr. with qualifying health benefits, or \$18/hr. without health benefits.</p>
Broward County	Required by Law – Broward County Ordinance No. 83-72, Chapter 26 Article 7, Section 26-102 – Living Wage	<p>Wages & benefits required are determined by Broward County for covered services (security, food preparation services, janitorial, cleaning, landscaping, et al). County construction contracts in excess of \$250,000 – prevailing wages published by the Dept. of Labor in the Federal Register apply (\$22.97/hr. for a refuse collector).</p> <p>County wages and benefits (\$15/hr. with health benefits, \$18.65/hr. without health benefits) apply to all covered employers with contracts exceeding \$100,000.</p> <p>Every construction contract in excess of \$250,000 the wages and benefits paid may not be less than the prevailing wage rates as determined by the U.S. Department of Labor.</p>
Dade County	Required by Law – Miami Dade Code of Ordinances. Ch. 2 Sec. 2-11.16	<p>Wages determined by the County for service contracts. Wages determined by the County or U.S. Department of Labor (Davis Bacon prevailing wage rate) on County construction contracts in excess of \$100,000, whichever is higher.</p> <p>Living Wage requirement applies to any and all service contracts (food preparation, security services, landscaping, janitorial services, et al.) in excess of \$100,000. Davis Bacon prevailing wage rates apply to County construction projects in excess of \$100,000, regardless of whether there is federal funding.</p> <p>The Living Wage rate in Miami Dade County for service contracts in 2023 is \$15.03/hr. with health benefits, \$18.73/hr. without benefits.</p> <p>Ex. In Miami-Dade an industrial painter on a construction contract in excess of \$100,000 is mandated to be paid a minimum of \$34.31/hr. (health and pension included).</p>
Lee County	Sought Through Procurement	<p>The Waste Pro procurement contract in Lee County is an example of a local government telling a private employer they need to provide health benefits, and setting the rate at which they have to pay it – disregarding that it is outside of what is offered in the private market and industry standards.</p>
Orange County	Sought Through Procurement – “Responsible Contractors Policy”	<p>The Advanced Disposal Services Solid Waste Southeast, Inc Orange County Procurement Contract would have required 80 percent of medical insurance be paid by the contractor at their expense, and required a \$400 maximum deductible per year, disregarding that it is outside of what is offered in the private market and industry standards.</p>
Palm Beach County	Required by Law – Palm Beach County Code of Ordinances, Ch. 2, Article 4, Division 3 – County Living Wage Ordinance	<p>Wages determined by County and adjusted by U.S. Department of Labor Consumer Price Index (CPI) following a prevailing wage set at \$11.64/hr. in 2013. The prevailing wage rate for 2023-24 is \$14.83/hr.</p> <p>Applies to construction or paratransit contracts in excess of \$100,000.</p>
City of Gainesville	Required by Law – City of Gainesville Code of Ordinances, Ch. 2, Article 4 – Living Wage Requirements	<p>Wages and benefits required are determined by the City of Gainesville.</p> <p>Applies to almost every contract with the City in excess of \$100,000.</p> <p>The minimum a covered worker can be paid in Gainesville is \$15/hr. with health insurance coverage, \$17.25/hr. without health insurance coverage.</p>
City of Miami Beach	Required by Law – City of Miami Beach, Ch. 2, Article 6, Division 6, Section 2-408 – Living Wage	<p>Wages & benefits required are determined by the City for service contracts in excess of \$100,000, wages and benefits required shall not be less than the prevailing rate of wages and benefits as established by the Federal Register for construction contracts in excess of \$1,500,000.</p> <p>Applies to City contracts in excess of \$100,000. Includes most professions that would contract with a local government. The minimum a worker can be paid is \$15.61/hr. without health benefits coverage, \$12.26/hr. with health benefits provided.</p>
City of Orlando	Required by Law	<p>Wages & benefits required are determined by the City - \$15/hr. (FY 22-23) – three dollars more per hour than the state minimum wage. The City’s Living Wage Policy applies to covered services (food preparation, security services, construction, refuse removal and recycling, janitorial services, et al.).</p>

<p>City of St. Petersburg</p>	<p>Required by Law – St Petersburg Code of Ordinances, Ch. 2, Article 5, Division 9 – Living Wage for Certain City Contracts</p>	<p>Wages & benefits required are determined by the City for service contracts exceeding \$200,000. For City Construction Contracts in excess of \$1,000,000, Pinellas County Davis Bacon wage rates (regardless of whether there is federal funding) or local “living wage” rates apply – whichever is higher.</p> <p>Minimum hourly wage to be paid is \$15/hr. (has been increased \$1 each year over the previous 4 years) and can be adjusted using the U.S. Department of Labor Consumer Price Index, or via local ordinance - in 2021 CPI adjustment would have been \$14.42/hr. and the City voted to increase the minimum wage to \$15/hr.</p> <p>Ex. A bricklayer who worked on a construction contract exceeding \$1,000,000 would be required to be paid \$20/hr.</p>
<p>City of West Palm Beach</p>	<p>Required by Law – West Palm Beach Code of Ordinances, Chapter 66 (procurement), Article 5, Section 66-252 – Living Wage.</p>	<p>Applies to all City construction contracts in excess of \$200,000.</p> <p>Wages & Benefits determined by the City (\$15/hr. in 2019) – indexed annually for inflation using the CPI for all Urban Consumers Miami/Ft. Lauderdale, issued by the Dept. of Labor Bureau of Labor Statistics.</p>

Note: This is not a comprehensive list of all 67 Counties and 411 Municipalities in the State of Florida.