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101ST CONGRESS; 1ST SESSION  
IN THE HOUSE OF REPRESENTATIVES  
AS ENROLLED

H.R. 2

1989 H.R. 2; 101 H.R. 2

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**SYNOPSIS:**

To amend the **Fair Labor Standards Act** of 1938 to restore the minimum wage to a fair and equitable rate, and for other purposes.

**DATE OF INTRODUCTION:** JANUARY 3, 1989

**DATE OF VERSION:** JUNE 1, 1989 -- **VERSION:** 7

**SPONSOR(S):**

None Available with this version.

**TEXT:**

H.R.2

One Hundred First Congress of the United States of America

AT THE FIRST SESSION

\*Begun and held at the City of Washington on Tuesday, the third day of \*

\*January, \*

\*one thousand nine hundred and eighty-nine \*

An Act

To amend the **Fair Labor Standards Act** of 1938 to restore the minimum wage to a fair and equitable rate, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; REFERENCE.

(a) SHORT TITLE.-This Act may be cited as the "Fair Labor Standards Amendments of 1989".

(b) REFERENCE.-Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the **Fair Labor Standards Act** of 1938 ([29 U.S.C. 201](#) et seq.).

SEC. 2. MINIMUM WAGE INCREASE.

(a) INCREASE.-Paragraph (1) of section 6(a) ([29 U.S.C. 206](#)(a)(1)) is amended to read as follows:

"(1) except as otherwise provided in this section, not less than \$ 3.35 an hour during the period ending September 30, 1989, not less than \$ 3.85 an hour during the year beginning October 1, 1989, not

less than \$ 4.25 an hour during the year beginning October 1, 1990, and not less than \$ 4.55 an hour after September 30, 1991;".

(b) ADJUSTMENT.-

(1) DUTIES.-

(A) REVIEW.-Not later than January 1, 1992, and each January 1 thereafter, the Minimum Wage Review Board shall begin a review of current economic data on wages, prices, and other economic indicators and determine the amount by which the minimum wage rate in effect under section 6(a)(1) of the **Fair Labor Standards Act** of 1938 should be adjusted to reflect the changes in wages and prices since the last adjustment in such rate.

(B) TRANSMITTAL.-Not later than October 1, 1992, and each October 1 thereafter, the Minimum Wage Review Board shall transmit to Congress a recommendation to adjust the minimum wage rate under such section 6(a)(1). The recommendation shall include an estimate of the economic effects of placing such wage rate into effect.

(2) ESTABLISHMENT.-

(A) COMPOSITION.-

(i) IN GENERAL.-There is established the "Minimum Wage Review Board" (hereinafter in this paragraph referred to as the "Board"). The Board shall be composed of 5 members appointed as follows:

(I) One member of the Board shall be appointed by the Speaker of the House of Representatives.

(II) One member of the Board shall be appointed by the Minority Leader of the House of Representatives.

(III) One member of the Board shall be appointed by the Majority Leader of the Senate.

(IV) One member of the Board shall be appointed by the Minority Leader of the Senate.

(V) The fifth member of the Board shall be appointed jointly by the appointing authorities referred to in subclauses (I), (II), (III), and (IV).

Initial appointments to the Board shall be made within 180 days of the date of the enactment of this Act.

(ii) TERMS.-The term of office of a member of the Board shall be 5 years, except that of the initial members of the Board-

(I) the member appointed under clause (i)(V) shall be appointed for a term of 5 years;

(II) the member appointed under clause (i)(I) shall be appointed for a term of 4 years;

(III) the member appointed under clause (i)(IV) shall be appointed for a term of 3 years;

(IV) the member appointed under clause (i)(III) shall be appointed for a term of 2 years; and

(V) the member appointed under clause (i)(II) shall be appointed for a term of 1 year.

(iii) VACANCIES.-Any individual chosen to fill a vacancy shall be appointed only for the unexpired term of the member whom the individual succeeds. Each member of the Board shall be eligible for reappointment. A vacancy in the Board shall be filled in the manner in which the original appointment was made.

(iv) REMOVAL.-Any member of the Board may be removed jointly by the

appointing authorities under clause (i) for neglect of duty or malfeasance in office.

(v) CHAIRPERSON.-The Chairperson of the Board shall be the member of the Board appointed under clause (i)(V).

(B) COMPENSATION AND EXPENSES.-

(i) COMPENSATION.-Members of the Board who are not officers or employees of the Federal Government shall each be paid at a rate not to exceed the rate of basic pay payable for GS-18 of the General Schedule for each day (including travel time) during which they are engaged in the actual performance of services for the Board.

(ii) EXPENSES.-While away from their homes or regular places of business in the performance of services for the Board, members of the Board shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703 of title 5, United States Code.

(C) GENERAL AUTHORITY.-The Board may prescribe such rules as may be necessary to carry out its duties under paragraph (1). The Board may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as it deems advisable. Upon request of the Board, the head of any Federal department or agency is authorized to detail, on a reimbursable basis, any of the personnel of such department or agency to the Board to assist it in carrying out its duties under paragraph (1).

(D) ASSISTANCE.-The Secretary of Labor shall furnish such professional, technical, and research assistance as is required by the Board. The Administrator of General Services shall provide to the Board on a reimbursable basis such administrative support services as the Board may request to carry out its duties under this subsection. The Board may secure directly from any department or agency of the United States such information as the Board may require to carry out its duties under paragraph (1). Upon request of the Board, the head of any such department or agency shall furnish such information to the Board.

(E) MAILS.-The Board may use the United States mails in the same manner and upon the same conditions as other departments and agencies of the United States.

(F) STAFF.-The Board may appoint an executive director of the Board to perform such duties as the Board may prescribe. With approval of the Board, the executive director may appoint and fix the pay of such clerical personnel as are necessary for the Board to carry out its duties. The executive director and staff shall be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates but at rates not in excess of the annual rate payable for grade GS-18 of the General Schedule under section 5332 of such title. The executive director, with the concurrence of the Board, may obtain temporary and intermittent services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code.

### SEC. 3. CHANGE IN ENTERPRISE TEST.

(a) IN GENERAL.-Subsection (s) of section 3 ([29 U.S.C. 203\(s\)](#)) is amended to read as follows:

"(s)(1) 'Enterprise engaged in commerce or in the production of goods for commerce' means an enterprise that-

"(A)(i) has employees engaged in commerce or in the production of goods for commerce, or that has employees handling, selling, or otherwise working on goods or materials that have been moved in or produced for commerce by any person; and

"(ii) is an enterprise whose annual gross volume of sales made or business done is not less than \$ 500,000 (exclusive of excise taxes at the retail level that are separately stated);

"(B) is engaged in the operation of a hospital, an institution primarily engaged in the care of the sick, the aged, or the mentally ill or defective who reside on the premises of such institution, a school for mentally or physically handicapped or gifted children, a preschool, elementary or secondary school, or an institution of higher education (regardless of whether or not such hospital, institution, or school is public or private or operated for profit or not for profit); or

"(C) is an activity of a public agency.

"(2) Any establishment that has as its only regular employees the owner thereof or the parent, spouse, child, or other member of the immediate family of such owner shall not be considered to be an enterprise engaged in commerce or in the production of goods for commerce or a part of such an enterprise. The sales of such an establishment shall not be included for the purpose of determining the annual gross volume of sales of any enterprise for the purpose of this subsection."

(b) PRESERVATION OF COVERAGE.-

(1) IN GENERAL.-Any enterprise that on September 30, 1989, was subject to section 6(a)(1) of the **Fair Labor Standards Act** of 1938 ([29 U.S.C. 206\(a\)\(1\)](#)) and that because of the amendment made by subsection (a) is not subject to such section shall-

(A) pay its employees not less than the minimum wage in effect under such section on September 30, 1989;

(B) pay its employees in accordance with section 7 of such Act ([29 U.S.C. 207](#)); and

(C) remain subject to section 12 of such Act ([29 U.S.C. 212](#)).

(2) VIOLATIONS.-A violation of paragraph (1) shall be considered a violation of section 6, 7, or 12 of the **Fair Labor Standards Act** of 1938, as the case may be.

(c) CONFORMING AMENDMENTS.-

(1) SECTION 13(a).-Section 13(a) ([29 U.S.C. 213\(a\)](#)) is amended by striking out paragraphs (2) and (4).

(2) SECTION 13(g).-Section 13(g) is amended-

(A) by striking out "paragraphs (2) and" and inserting in lieu thereof "paragraph"; and

(B) by striking out ", except that" and all that follows in such subsection and inserting in lieu thereof a period.

(d) TECHNICAL AMENDMENTS.-Section 3(r) ([29 U.S.C. 203\(r\)](#)) is amended-

(1) by inserting "(1)" after "(r)";

(2) by striking out ": Provided, That, within" and inserting in lieu thereof a period and "Within";

(3) by redesignating paragraphs (1), (2), and (3) as subparagraphs

(A), (B), and (C), respectively;

(4) by striking out "For purposes of this subsection" and inserting in lieu thereof the following:

"(2) For purposes of paragraph (1)";

(5) by redesignating paragraphs (1), (2), and (3) as subparagraphs (A), (B), and (C), respectively; and

(6) by striking out "public or private or" in subparagraph (A) (as so redesignated).

(e) EFFECTIVE DATE.-The amendments made by this section shall become effective on October 1, 1989.

#### SEC. 4. PUERTO RICO, VIRGIN ISLANDS, AND AMERICAN SAMOA.

(a) SPECIAL INDUSTRY COMMITTEES.-Section 5 ([29 U.S.C. 205](#)) is amended-

(1) in the first sentence of subsection (a), by striking out "Puerto Rico or the Virgin Islands, or in Puerto Rico and the Virgin Islands," and inserting in lieu thereof "American Samoa";

(2) in the second sentence of subsection (a)-

(A) by striking out "such island or islands" and inserting in lieu thereof "American Samoa"; and

(B) by striking out "Puerto Rico and the Virgin Islands" and inserting in lieu thereof "American Samoa";

(3) by striking out subsection (e); and

(4) in the section heading, by striking out "PUERTO RICO AND THE VIRGIN ISLANDS" and inserting in lieu thereof "AMERICAN SAMOA".

(b) MINIMUM WAGE.-Section 6 ([29 U.S.C. 206](#)) is amended-

(1) in subsection (a)(3)-

(A) in the first sentence, by striking out all that follows "appoint" through the period at the end of the sentence and inserting in lieu thereof "pursuant to sections 5 and 8."; and

(B) by striking out the second sentence; and

(2) by striking out subsection (c) and inserting in lieu thereof the following new subsection:

"(c)(1) The rate or rates provided by subsection (a)(1) shall be applicable in the case of any employee in Puerto Rico who is employed by-

"(A) the United States,

"(B) an establishment that is a hotel, motel or restaurant,

"(C) any other retail or service establishment that employs such employee primarily in connection with the preparation or offering of food or beverages for human consumption, either on the premises, or by such services as catering, banquet, box lunch, or curb or counter service, to the public, to employees, or to members or guests of members of clubs, or

"(D) any other industry in which the average hourly wage is greater than or equal to \$ 4.65 an hour.

"(2) In the case of any employee in Puerto Rico who is employed in an industry in which the average hourly wage is not less than \$ 4.00 but not more than \$ 4.64, the minimum wage rate applicable to such employee shall be increased on October 1, 1989, and each October 1 thereafter through October 1, 1993, by equal amounts (rounded to the nearest 5 cents) so that the highest minimum wage rate prescribed in subsection (a)(1) shall apply on October 1, 1993.

"(3) In the case of an employee in Puerto Rico who is employed in an industry in which the average hourly wage is less than \$ 4.00, except as provided in paragraph (4), the minimum wage rate applicable to such employee shall be increased on October 1, 1989, and each October 1

thereafter through October 1, 1994, by equal amounts (rounded to the nearest 5 cents) so that the highest minimum wage rate prescribed in subsection (a)(1) shall apply on October 1, 1994.

"(4) In the case of any employee of the Commonwealth of Puerto Rico, or a municipality or other governmental entity of the Commonwealth, in which the average hourly wage is less than \$ 4.00 an hour and who was brought under the coverage of this section pursuant to an amendment made by the Fair Labor Standards Amendments of 1985 (Public Law 99-150), the minimum wage rate applicable to such employee shall be increased on October 1, 1989, and each October 1 thereafter through October 1, 1995, by equal amounts (rounded to the nearest 5 cents) so that the highest minimum wage rate prescribed in subsection (a)(1) shall apply on October 1, 1995."

(c) WAGE ORDERS.-Section 8 ([29 U.S.C. 208](#)) is amended-

(1) in the first sentence of subsection (a), by striking out "Puerto Rico and the Virgin Islands" and inserting in lieu thereof "American Samoa";

(2) by striking out the second sentence of subsection (a);

(3) in the third sentence of subsection (a)-

(A) by striking out "Puerto Rico or the Virgin Islands, or in Puerto Rico and the Virgin Islands," and inserting in lieu thereof "American Samoa"; and

(B) by inserting before the period at the end of the sentence ", and who but for section 6(a)(3) would be subject to the minimum wage requirements of section 6(a)(1)";

(4) in the third sentence of subsection (b)-

(A) by striking out "Puerto Rico or in the Virgin Islands" and inserting in lieu thereof "American Samoa";

(B) by striking out "Puerto Rico and the Virgin Islands" and inserting in lieu thereof "American Samoa"; and

(C) by striking out "section 6(c)" and inserting in lieu thereof "section 6(a)(3)"; and

(5) in the section heading, by striking out "PUERTO RICO AND THE VIRGIN ISLANDS" and inserting in lieu thereof "AMERICAN SAMOA".

(d) EMPLOYMENT UNDER SPECIAL CERTIFICATES.-Section 14(b) (29 U.S.C. 214(b)) is amended by striking out "(or in" and all that follows through "section 6(c))" each place it appears in paragraphs (1)(A), (2), and (3).

## SEC. 5. TIP CREDIT.

Effective October 1, 1989, the third sentence of section 3(m) (29 U.S.C. 203(m)) is amended by striking out "in excess of 40 per centum of the applicable minimum wage rate," and inserting in lieu thereof "in excess of (1) 45 percent of the applicable minimum wage rate during the year beginning October 1, 1989, and (2) 50 percent of the applicable minimum wage rate after September 30, 1990,".

## SEC. 6. TRAINING WAGE.

(a) IN GENERAL.-

(1) AUTHORITY.-Any employer may, in lieu of the minimum wage prescribed by section 6 of the **Fair Labor Standards Act** of 1938 (29 U.S.C. 206), pay an eligible employee the wage prescribed by paragraph (2) while such employee is engaged in on-the-job training.

(2) WAGE RATE.-The wage referred to in paragraph (1) shall be a wage-

(A) of not less than \$ 3.35 an hour during the year beginning October 1, 1989; and

(B) beginning October 1, 1990, of not less than \$ 3.35 an hour or

85 percent of the wage prescribed by section 6 of such Act, whichever is greater.

(b) **WAGE PERIOD.**-An employer may pay an eligible employee the wage authorized by subsection (a) for a period that-

- (1) begins on or after October 1, 1989;
- (2) does not exceed the maximum period during which an employee may be paid such wage as determined under subsection (g)(1)(B); and
- (3) ends before September 30, 1992.

(c) **WAGE CONDITIONS.**-No eligible employee may be paid the wage authorized by subsection (a) by an employer if-

- (1) any other individual has been laid off by such employer from the position to be filled by such eligible employee or from any substantially equivalent position; or
- (2) such employer has terminated the employment of any regular employee or otherwise reduced the number of employees with the intention of filling the vacancy so created by hiring an employee to be paid such wage.

(d) **LIMITATIONS.**-

- (1) **EMPLOYEE HOURS.**-During any month in which employees are to be employed in an establishment under this section, the proportion of employee hours of employment to the total hours of employment of all employees in such establishment may not exceed a proportion equal to one-fourth of the total hours of employment of all employees in such establishment.

(2) **DISPLACEMENT.**-

(A) **PROHIBITION.**-No employer may take any action to displace employees (including partial displacements such as reduction in hours, wages, or employment benefits) for purposes of hiring individuals at the wage authorized in subsection (a).

(B) **DISQUALIFICATION.**-If the Secretary determines that an employer has taken an action in violation of subparagraph (A), the Secretary shall issue an order disqualifying such employer from employing any individual at such wage.

(e) **NOTICE.**-Each employer shall provide to any eligible employee who is paid the wage authorized by subsection (a) a written notice stating the requirements of this section and the remedies provided by subsection (f) for violations of this section. The Secretary shall provide to employers the text of the notice to be provided under this subsection.

(f) **ENFORCEMENT.**-Any employer who violates this section shall be considered to have violated section 15(a)(3) of the **Fair Labor Standards Act** of 1938 ([29 U.S.C. 215](#)(a)(3)). Sections 16 and 17 of such Act (29 U.S.C. 216 and 217) shall apply with respect to the violation.

(g) **DEFINITIONS.**-For purposes of this section:

(1) **ELIGIBLE EMPLOYEE.**-

(A) **IN GENERAL.**-The term "eligible employee" means with respect to an employer an individual who-

- (i) is not a migrant agricultural worker or a seasonal agricultural worker (as defined in paragraphs (8) and (10) of section 3 of the Migrant and Seasonal Agricultural Worker Protection Act (29 U.S.C. 1802 (8) and (10)) without regard to subparagraph (B) of such paragraphs and is not a nonimmigrant described in section 101(a)(15)(H)(ii)(a) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15)(H)(ii)(a)); and
- (ii) is eligible to be paid the wage authorized by subsection (a) as



determined under subparagraph (B).

(B) DURATION.-An employee shall be eligible to be paid the wage authorized by subsection (a) until the employee has been employed a cumulative total of 60 days by all employers. For purposes of this subparagraph, the term "employer" means with respect to an employee an employer who is required to withhold payroll taxes for such employee.

(C) PROOF.-

(I) IN GENERAL.-An individual is responsible for providing the requisite proof of previous period or periods of employment with other employers. An employer's good faith reliance on the proof presented to the employer by an individual shall constitute a complete defense to a charge that the employer has violated subsection (b)(2) with respect to such individual.

(ii) REGULATIONS.-The Secretary of Labor shall issue regulations defining the requisite proof required of an individual. Such regulations shall establish minimal requirements for requisite proof and may prescribe that an accurate list of the individual's employers and a statement of the dates and duration of employment with each employer constitute requisite proof.

(2) ON-THE-JOB TRAINING.-The term "on-the-job training" means training that-

(A) is offered to an individual while employed in productive work that provides training, technical and other related skills, and personal skills that are essential to the full and adequate performance of such employment; and

(B) should be at least 30 days in duration.

(h) REPORT.-The Secretary of Labor shall report to Congress not later than July 1, 1992, on the effectiveness of the wage authorized by subsection (a). The report shall include-

(1) an analysis of the impact of such wage on employment opportunities for inexperienced workers;

(2) any reduction in employment opportunities for experienced workers resulting from the employment of employees under such wage;

(3) the nature and duration of the training provided under such wage; and

(4) the degree to which employers used the authority to pay such wage.

## SEC. 7. MAXIMUM HOUR EXEMPTION FOR EMPLOYEES RECEIVING REMEDIAL EDUCATION.

Section 7 ([29 U.S.C. 207](#)) is amended by adding at the end thereof the following new subsection:

"(q) Any employer may employ any employee for a period or periods of not more than 10 hours in the aggregate in any workweek in excess of the maximum workweek specified in subsection (a) without paying the compensation for overtime employment prescribed in such subsection, if during such period or periods the employee is receiving remedial education that is-

"(1) provided to employees who lack a high school diploma or educational attainment at the eighth grade level;

"(2) designed to provide reading and other basic skills at an eighth grade level or below; and

"(3) does not include job specific training."

## SEC. 8. APPLICATION OF RIGHTS AND PROTECTIONS OF FAIR LABOR STANDARDS ACT



## OF 1938 TO CONGRESSIONAL EMPLOYEES.

### (a) SENATE EMPLOYEES.-

(1) SENSE OF SENATE.-It is the sense of the Senate that the rights and protections provided under the **Fair Labor Standards Act** of 1938 ([29 U.S.C. 201](#) et seq.) should apply with respect to an employee of the Senate or any office thereof.

(2) ADMINISTRATION.-Not later than 180 days after the date the minimum wage rate prescribed by section 6(a)(1) of such Act (29 U.S.C. 206(a)(1)) is increased pursuant to the amendment made by section 2(a), the Senate Committee on Rules and Administration shall report to the Senate a Senate resolution (including necessary amendments to Senate rules and regulations) that-

(A) applies rights and protections in accordance with paragraph

(1);

(B) establishes the scope of coverage of such rights and protections; and

(C) establishes such remedies and enforcement and other procedures as are necessary to carry out subparagraph (A).

### (b) HOUSE EMPLOYEES.-

(1) IN GENERAL.-The rights and protections under the **Fair Labor Standards Act** of 1938 ([29 U.S.C. 201](#) et seq.) shall apply with respect to any employee in an employment position in the House of Representatives or under the Architect of the Capitol and to any employing authority of the House of Representatives.

(2) ADMINISTRATION.-In the administration of this section, the remedies and procedures under the Fair Employment Practices Resolution shall be applied.

(3) DEFINITION.-As used in paragraph (2), the term "Fair Employment Practices Resolution" means House Resolution 558, One Hundredth Congress, agreed to October 3, 1988, as continued in effect by House Resolution 15, One Hundred First Congress, agreed to January 3, 1989.

## SEC. 9. CIVIL PENALTIES FOR VIOLATIONS.

Section 16(e) ([29 U.S.C. 216](#)(e)) is amended-

(1) in the first sentence, insert after "or any regulation issued under that section," the following: "or any person who repeatedly or willfully violates section 6 or 7"; and

(2) in paragraph (3), by adding after "section 15(a)(4)" the following: "or a repeated or willful violation of section 15(a)(2)".

## SEC. 10. REGULATIONS CONCERNING CERTAIN EMPLOYEES.

Not later than 90 days after the date of enactment of this Act, the Secretary of Labor shall promulgate regulations that interpret the professional exemption contained in section 13(a)(1) of the **Fair Labor Standards Act** of 1938 ([29 U.S.C. 213](#)(a)(1)) in a manner that permits computer systems analysts, software engineers, and other similarly skilled professional workers to qualify under such section for such exemption. Such regulations shall ensure that such employees shall continue to be eligible for such exemption even if such employees are compensated on an hourly basis, except that to qualify for such exemption such employees shall be compensated at an hourly rate that is at least 6 1/2 times greater than the applicable minimum wage rate under section 6 of such Act ([29 U.S.C. 206](#)).

## SEC. 11. STUDIES AND SURVEYS.

(a) STUDIES AND SURVEYS.-The Minimum Wage Review Board established under section 2(b) shall, subject to the availability of funds, enter into a

contract with the Secretary of Labor to provide for the conduct by the Bureau of Labor Statistics of-

- (1) a study of the impact of increasing the Federal minimum wage required under the **Fair Labor Standards Act** of 1938 ([29 U.S.C. 201](#) et seq.) (as amended by section 2(a) of this Act) on rural areas and high unemployment areas; and
- (2) surveys and research on the characteristics of minimum wage employment and the impact of modification of the scope of coverage and minimum wage levels under the **Fair Labor Standards Act** of 1938 (7 U.S.C. 201 et seq.) (as amended by this Act) and section 6 of this Act, including-
  - (A) a survey of the distribution of wages earned by employees subject to the **Fair Labor Standards Act** of 1938 and section 6 of this Act by wage level, industry affiliation, and regional, State, and other demographic characteristics, including an analysis of the feasibility of conducting such survey on a regular periodic basis;
  - (B) a study of the impact of increasing the sales level that subjects an enterprise to the **Fair Labor Standards Act** of 1938 under section 3(s) of such Act ([29 U.S.C. 203](#)(s)) (as amended by section 3(a) of this Act);
  - (C) a study of the degree of compliance with, and methods of enforcement of, the **Fair Labor Standards Act** of 1938, including goals and plans for ensuring compliance with such Act (as amended by this Act) and section 6 of this Act;
  - (D) a study of the impact of increasing the tip credit provided under section 3(m) of such Act (as amended by section 5 of this Act);
  - (E) a study of the impact of the increase of minimum wage levels on public assistance and family life and family formation; and
  - (F) a study of the stimulative economic effect of the increase of minimum wage levels.

(b) **FACTORS.**-In carrying out the study described in subsection (a)(1), the following shall be considered:

- (1) The impact of the small business exemption provided under section 3(s) of the **Fair Labor Standards Act** of 1938 (29 U.S.C. 203(s)) (as amended by section 3(a) of this Act).
- (2) The impact of the training wage established under section 6 of this Act.
- (3) Employment levels, the potential for job creation, the average cost of living, average wage levels, and average income levels in rural areas and high unemployment areas.

(c) **COMPLETION DATES.**-The Minimum Wage Review Board shall require the studies and surveys to be completed as follows:

- (1) The study conducted under subsection (a)(1) shall be completed not later than June 1, 1991.
- (2) The survey and study under subparagraphs (A) and (C) of subsection (a)(2) shall be completed not later than September 30, 1991.
- (3) The studies required under subparagraphs (B), (D), (E), and (F) of subsection (a)(2) shall be completed not later than September 30, 1992.

The Minimum Wage Review Board shall submit to the Committee on Education and Labor of the House of Representatives and the Committee on Labor and

Human Resources of the Senate the results of the studies and surveys.

(d) **CONTRACTS.**-The contract entered into under subsection (a) shall require reimbursement by the Minimum Wage Review Board of the expenses incurred by the Bureau of Labor Statistics in the conduct of the studies and surveys described in such subsection.

(e) **DEFINITIONS.**-As used in this section:

(1) **HIGH UNEMPLOYMENT AREA.**-The term "high unemployment area" means a standard metropolitan statistical area that has an unemployment rate that is at least 150 percent higher than the national unemployment rate.

(2) **RURAL AREA.**-The term "rural area" shall have the same meaning given such term in section 1886(d)(2)(D) of the Social Security Act ([42 U.S.C. 1395ww](#)(d)(2)(D)).

Speaker of the House of Representatives.

Vice President of the United States and      President of the Senate.

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**LOAD-DATE:** December 21, 1989