STEVEN L. BESHEAR
GOVERNOR

EXECUTIVE ORDER

Secretary of State
Frankfort
Kentucky

2015-370
June 8, 2015

MINIMUM WAGE FOR STATE EMPLOYEES AND THE COMMONWEALTH'S SERVICE PROVIDERS

WHEREAS, it is indisputable that all citizens and residents of the Commonwealth of Kentucky have the inherent and inalienable rights to enjoy their lives and liberty and to seek and pursue their safety and happiness; and

WHEREAS, the current required minimum wage of $7.25 per hour for hourly workers and $2.13 for tipped employees as established by state and federal law for all the employers in the Commonwealth is no longer sufficient to provide workers the means to achieve those inherent and inalienable rights; and

WHEREAS, studies consistently and overwhelmingly show that an increase in the minimum wage does not negatively impact collective employment, but instead results in faster job growth; and

WHEREAS, minimum wage workers are not typically teenagers working part-time but are adults trying to make ends meet – statistics show that 87.5% of minimum wage workers are adults over the age of 20 and that nearly the same percentage work at least 20 hours a week; and

WHEREAS, the Commonwealth of Kentucky commits significant resources to its employees and to the acquisition of services to be performed under contract; and

WHEREAS, it is the policy of this administration to increase efficiency and cost savings in work performed for the Commonwealth of Kentucky; and

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WHEREAS, requiring a higher wage to be paid to those working for and on behalf of the Commonwealth of Kentucky will lead to increased morale, productivity, and quality of the work performed and an accompanying decrease in turnover, training, and supervisory costs; and

WHEREAS, increasing the pay of the lowest-paid workers will enable them to be more self-sufficient and to move toward realizing the dream of a better life which is too often unachievable with their current wages; and

WHEREAS, economic forces necessitate a more competitive wage to attract and retain the best workers in the improved Kentucky job market; and

WHEREAS, Federal contracting rules now require that workers under certain federally funded state contracts be paid a minimum wage of $10.10 per hour and $4.90 per hour for tipped workers; and

WHEREAS, all individuals providing services to the Commonwealth should be paid the same minimum wage regardless of the identity of his or her employer:

NOW, THEREFORE, I, Steven L. Beshear, Governor of the Commonwealth of Kentucky, by virtue of the authority vested in me by Sections 69 and 81 of the Constitution of Kentucky and by Chapter 12 of the Kentucky Revised Statutes, do hereby DECLARE, ORDER and DIRECT that:

1. As of the effective date of this order, all Executive Branch employees shall be paid no less than $10.10 per hour, or $4.90 per hour for those workers who are "tipped employees" as defined by KRS 337.010(2)(d).
2. All contracts entered into or renewed by Executive Branch agencies with effective dates on or after the effective date of this order shall provide for a minimum wage of:
   A. $10.10 per hour for ordinary workers; and
   B. $4.90 per hour for workers who are "tipped employees" as defined by KRS 337.010(2)(d).

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3. The increased minimum wage requirements of this order shall apply to any worker directly performing the service called for in a contract and shall also apply to any person who spends at least 20% of his or her working time in a given work week providing a service ancillary to the services called for in a contract.

4. Nothing in this order shall excuse noncompliance with any other Federal or State law, including prevailing wage laws, or any applicable law or municipal ordinance establishing a minimum wage higher than the minimum wage established under this order.

5. This 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 Kentucky, its agencies, officers, or employees, and is not applicable to public universities.

6. All employers in the Commonwealth, both public and private, are strongly encouraged to implement policies consistent with the terms of this order.

7. All Executive Branch agencies, in conjunction with the Governor's Executive Cabinet, shall take all steps necessary to implement this order.

This order is effective July 1, 2015.

STEVEN L. BESHEAR, GOVERNOR
Commonwealth of Kentucky

ALISON LUNDERGAN GRIMES
Secretary of State