

POLITICS PUBLIC: NO. WIOA-03-2022

DATE: AUGUST 24, 2022

**SUBJECT: PUBLIC POLICY FOR ESTABLISHING AN INCREASE TO THE
MINIMUM WAGE FOR WORKERS ON CONSTRUCTION
PROJECTS PAID WITH FEDERAL RECONSTRUCTION**

**REFERENCE: EXECUTIVE ORDER OF GOVERNOR OF PUERTO RICO
OE-2021-023**

I. INTRODUCTION

The past February 18, 2022, the Honorable Governor of Puerto Rico, Pedro Pierluisi Urrutia, signed Executive Order 2021-023, in order to increase the minimum wage of workers on construction projects paid for with federal reconstruction funds. In this way, the need has been created to stimulate our economy and make the structures resilient public and homes.

The construction industry is one of the main sources of employment in Puerto Rico. The working class of this industry, has been one of the most affected by the economic crisis to consequence of the disasters natural that they have shocked the island in the past years. It is of merit and it is necessary that mechanisms be provided to improve their working conditions and guarantee better employment opportunities and remuneration, thus ensuring that, through the reconstruction will I achieved the recovery of Puerto Rico and development of the economy.

II. PURPOSE

The purpose of this Public Policy is to adjust the minimum wage of construction workers, to the current cost of living, based on the principle that no worker is below the poverty level. This working class must have enough income to cover the basic needs of their home and to ensure progress and improvement of living standards.



III. LEGAL BASE

- Bulletin Administrative No. OE-2021-023
- Planning Guide for the Preparation of the Work Specification of Title I of the Workforce Innovation and Opportunity Act (WIOA) AP 2022
- Workforce Innovation and Opportunity Act (WIOA)

IV. PUBLIC POLICY

The natural disasters that have impacted Puerto Rico in recent years have negatively impacted residences and critical infrastructure, as well as our road network, recreational areas, and hospitals, among others. For this reason, it is necessary to ensure the well-being and quality of life of construction workers through fair compensation for their working hours.

It is for this reason that the Manatí/Dorado Local Labor Development Area, understanding the need that many of our participants face and, recognizing that these are an integral part of the economic development of our area, this Public Policy is created to establish the following and we quote:

...”

ARTICLE XI. ADMINISTRATIVE ORDER OF GOVERNOR 2021-023

Construction workers will receive a salary increase in Puerto Rico reconstruction or recovery projects that are paid for, in whole or in part, with federal funds. Skilled workers will be paid \$15.00 an hour, while the wage for laborers will be \$11.00 an hour. The increase will apply to government construction projects for the reconstruction and recovery of Puerto Rico after the hurricanes of 2017 and the earthquakes of 2020. The public policy is consistent with the administration of the President of the United States, Joe Biden, who demanded a minimum wage of \$15.00 per hour for employees of federal government contractors.

...”

The implementation will begin with a pilot program for the Incorporation of Labor Agreements that will be implemented only on construction projects of more than \$5 million and that are paid in whole or in part with federal funds allocated to the reconstruction of the Public Assistance Program of the Federal Agency for Emergency Management (FEMA) under Section 406 of the Stafford Act.

If this bulletin is amended, regarding the established minimum wage, the ALDLMD will accept the same as official, without the need to amend this Public Policy.



V. REQUIRED ACTION

The Executive Officer of the Local Board will be responsible for informing the administrative bodies of the Manatí/Dorado Local Labor Development Area. These, in turn, will have the responsibility of informing the Managers and other personnel.

VI. APPROVAL AND VALIDITY

The *Public Policy for Establishing an Increase to the Minimum Wage for Workers in Construction Projects Paid for with Federal for Reconstruction Funds* of the Manatí/Dorado Local Labor Development Area, will be effective at the time of its approval by the members of the Local Board of Labor Development and the Board of Mayors of the Manatí/Dorado Local Labor Development Area.

In Barceloneta, Puerto Rico today August 24, 2022.

Miguel M. Vega Rivera
President
Local Labor Development Board

Hon. María M. Vega Pagán
President
Board of Directors of Mayors

Note: In this document, the masculine gender will be used to refer to both genders in order to facilitate its reading. This writing style is not intended to imply the supremacy of one genre over another.