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Trump Revokes $15 Contractor Minimum Wage and Infrastructure Project Orders

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On Friday, March 14, 2025, President Donald Trump announced an Executive Order ("the Order") titled "Additional Rescissions of Harmful Executive Orders and Actions." Notably, the Order rescinded several Biden-era executive orders that raised the minimum wage for federal contractor workers to $15 and drove federal infrastructure investments toward companies that agree to union neutrality. President Trump also rescinded a previous order directing federal agencies to incentivize the use of registered apprenticeships by their contractors.

President Trump's Order explained the "rescissions are necessary to advance the policy of the Union States to restore common sense to the federal government and unleash the potential of American citizens." The Order further directed the Assistant to the President for Domestic Policy, the Assistant to the President for Economic Policy, and the Assistant to the President for National Security to "compile lists of additional orders, memoranda, and proclamations issued by the prior administration that should be rescinded."

President Trump's directive to cancel the federal contractor pay raise, which started to apply to new or renewed federal contracts in 2022, comes after some businesses and several Republican-led states sued over the executive order with mixed success. President Biden's Executive Order 14026 called for increasing the minimum wage for federal contract workers to $15 an hour. The Department of Labor ("DOL") subsequently proposed and finalized a rule implementing that order, effective January 2022. Since then, the rate had increased to $17.75 an hour because of adjustments for inflation. The US Courts of Appeal for the Fifth Circuit and Tenth Circuit both issued opinions concluding that President Biden did have the authority to enact the wage, splitting from the Ninth Circuit, which concluded otherwise. In January 2025, the U.S. Supreme Court declined to take up the legal question of whether enacting the $15 wage was within former President Biden's presidential procurement authority, largely leaving the boost in place.

While the Biden-era Executive Order has been rescinded, the DOL rule is still in place for the moment and there are several ongoing lawsuits challenging the validity of the rule. It is expected that in the coming weeks the DOL will now move to do away with the Biden-era rule and ask the courts to dismiss any of the still pending lawsuits as moot.

We will continue to monitor President Trump's executive orders as it impacts government contractors and private entities. For more information or assistance related to this Legal Alert, please contact one of

the authors or a member of Kilpatrick's Government Contracting & Public Procurement or Labor and Employment Team.