

SENATE BILL REPORT

ESHB 1393

AS REPORTED BY COMMITTEE ON LABOR & COMMERCE, APRIL 1, 1993

Brief Description: Providing for periodic adjustments of the state minimum wage.

SPONSORS: House Committee on Commerce & Labor (originally sponsored by Representatives G. Cole, Heavey, King, Franklin, Jones, Dunshee, Romero, Quall, Thibaudeau, Voloria, Appelwick, R. Johnson, Wolfe, Wood, Rust, Pruitt, Leonard, Basich, Wineberry, Ogden, R. Meyers, Wang, Scott, Cothorn, Kessler, Flemming, Johanson, Conway, J. Kohl and Anderson)

HOUSE COMMITTEE ON COMMERCE & LABOR

SENATE COMMITTEE ON LABOR & COMMERCE

Majority Report: Do pass as amended.

Signed by Senators Moore, Chairman; Prentice, Vice Chairman; Fraser, McAuliffe, Pelz, Sutherland, Vognild, and Wojahn.

Minority Report: Do not pass.

Signed by Senators Amondson, Barr, Cantu, Newhouse, and Prince.

Staff: Jonathan Seib (786-7427)

Hearing Dates: March 29, 1993; April 1, 1993

BACKGROUND:

Both federal and state law specify the minimum wage that may lawfully be paid to covered employees. Under Initiative 518, the Washington State minimum wage was increased on January 1, 1990, to \$4.25 an hour. The state law does not specify further adjustments to the minimum wage rate, but does require periodic review of the issue by the Office of Financial Management.

Since April 1, 1991, the federal minimum wage has been \$4.25 per hour.

SUMMARY:

The state minimum wage is changed from \$4.25 per hour to \$4.90 per hour on July 1, 1993. Beginning on July 1, 1994, the Department of Labor and Industries will calculate an adjusted rate by each July 1 to take effect the following January 1. The adjusted wage will be based on changes in the national consumer price index.

SUMMARY OF PROPOSED SENATE AMENDMENT:

Language regarding how the adjusted minimum wage is to be calculated is clarified.

The effective date is changed from July 1, 1993 to January 1, 1994.

Appropriation: none

Revenue: none

Fiscal Note: available

TESTIMONY FOR:

The current minimum wage provides substantially less than the poverty level, particularly in the Puget Sound area, which is an expensive place to live. Full-time workers are due at least a livable wage. An increase is needed to address the decline in the real value of wages. Inadequate wages is one of the biggest obstacles to getting off welfare.

TESTIMONY AGAINST:

The proposed increase in the minimum wage goes beyond any relationship to the poverty level, and is no way to help the working poor. The increase in the minimum wage will decrease job opportunities for those who most need them.

TESTIFIED: Representative Cole (pro); Tony Lee, Washington Association of Churches (pro); Clif Finch, Association of Washington Business (con); Edward Carvey, Encore, Inc. (con); Jeff Johnson, Washington State Labor Council (pro); Steven Aldrich, HERE, Local 8 (pro); Gretchen Mathers, Tom Dillar, Chuck Quinn, Washington Restaurant Association; Tom Huff, Washington Retail Association (con); Steve Landy, Target Stores (con); Tony Minehardt, Independent Business Association (con)