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HOUSE BILL 1813

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State of Washington

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By Representatives Miloscia, Boldt, Linville, Edwards, Romero, Cody, McDermott, Haigh, Hunt, Moeller, Ruderman, Santos, Rockefeller, Simpson, Conway, Wood and Kenney

Read first time 02/11/2003. Referred to Committee on State Government.

1 AN ACT Relating to employment opportunities for people with  
2 disabilities; amending RCW 43.19.520, 43.19.525, and 43.19.530; adding  
3 new sections to chapter 43.19 RCW; adding new sections to chapter 50.40  
4 RCW; and providing expiration dates.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 **Sec. 1.** RCW 43.19.520 and 1974 ex.s. c 40 s 1 are each amended to  
7 read as follows:

8 It is the intent of the legislature to encourage state agencies and  
9 departments to purchase products and/or services manufactured or  
10 provided by (~~sheltered workshops and~~):

11 (1) Community rehabilitation programs of the department of social  
12 and health services which operate facilities serving (~~the handicapped~~  
13 and)) disadvantaged persons and persons with disabilities and have  
14 achieved or consistently make progress towards the goal of enhancing  
15 opportunities for disadvantaged persons and persons with disabilities  
16 to maximize their opportunities for employment and career advancement,  
17 and increase the number employed and their wages; and

18 (2) Until December 31, 2007, businesses owned and operated by  
19 persons with disabilities that have achieved or consistently make

1 progress towards the goal of enhancing opportunities for disadvantaged  
2 persons and persons with disabilities to maximize their opportunities  
3 for employment and career advancement, and increase the number employed  
4 and their wages.

5 **Sec. 2.** RCW 43.19.525 and 1974 ex.s. c 40 s 2 are each amended to  
6 read as follows:

7 ~~((As used in RCW 43.19.520 and 43.19.530 the term "sheltered~~  
8 ~~workshops" shall have the meaning ascribed to it by RCW 82.04.385 and))~~  
9 The definitions in this section apply throughout RCW 43.19.520 through  
10 43.19.530 unless the context clearly requires otherwise.

11 (1) "Businesses owned and operated by persons with disabilities"  
12 means any sole proprietorship, partnership, or corporation, that has at  
13 least fifty percent of its value owned by, and at least fifty percent  
14 of the positions exercising executive or management authority occupied  
15 by, persons who have been either:

16 (a) Determined by the department of social and health services to  
17 have a developmental disability, as defined in RCW 71A.10.020;

18 (b) Determined by an agency established under Title I of the  
19 federal vocational rehabilitation act to be or have been eligible for  
20 vocational rehabilitation services;

21 (c) Determined by the federal social security administration to be  
22 or have been eligible for either social security disability insurance  
23 or supplemental security income; or

24 (d) Determined by the United States department of veterans affairs  
25 to be or have been eligible for vocational rehabilitation services due  
26 to service-connected disabilities, under 38 U.S.C. Sec. 3100 et seq.

27 (2) "Community rehabilitation programs of the department of social  
28 and health services" ((shall)) means ((the group training homes and day  
29 training centers defined in RCW 72.33.800)) any entity that:

30 (a) Is registered as a nonprofit corporation with the secretary of  
31 state; and

32 (b) Is recognized by the department of social and health services,  
33 division of vocational rehabilitation as eligible to do business as a  
34 community rehabilitation program.

35 (3) "Vendor in good standing" means a business owned and operated  
36 by persons with disabilities or a community rehabilitation program,

1 that has been determined under sections 4 and 6 of this act to meet the  
2 following criteria:

3 (a) Has not been in material breach of any quality or performance  
4 provision of any contract for the purchase of goods or services between  
5 the workshop, business, or program and any state agency during the past  
6 twelve months; and

7 (b) Has achieved, or continues to work towards, the goal of  
8 enhancing opportunities for disadvantaged persons and persons with  
9 disabilities to maximize their opportunities for employment and career  
10 advancement, and increase the number employed and their wages, as  
11 determined by the governor's committee on disability issues and  
12 employment.

13 **Sec. 3.** RCW 43.19.530 and 1977 ex.s. c 10 s 2 are each amended to  
14 read as follows:

15 The state agencies and departments are hereby authorized to  
16 purchase products and/or services manufactured or provided by  
17 (~~sheltered workshops and~~):

18 (1) Community rehabilitation programs of the department of social  
19 and health services; and

20 (2) Until December 31, 2007, businesses owned and operated by  
21 persons with disabilities.

22 Such purchases shall be at the fair market price of such products  
23 and services as determined by the division of purchasing of the  
24 department of general administration. To determine the fair market  
25 price the division shall use the last comparable bid on the products  
26 and/or services or in the alternative the last price paid for the  
27 products and/or services. The increased cost of labor, materials, and  
28 other documented costs since the last comparable bid, the average of  
29 current comparable contracts including the effects of any changes in  
30 specifications, or the last price paid are additional cost factors  
31 which shall be considered in determining fair market price. Upon the  
32 establishment of the fair market price as provided for in this section  
33 the division is hereby empowered to negotiate directly for the purchase  
34 of products or services with (~~sheltered workshops or~~) officials in  
35 charge of the community rehabilitation programs of the department of  
36 social and health services (~~for the purchase of the products or~~

1 services)) and, until December 31, 2007, businesses owned and operated  
2 by persons with disabilities.

3 NEW SECTION. **Sec. 4.** A new section is added to chapter 43.19 RCW  
4 to read as follows:

5 (1) Annually, the department of general administration shall  
6 compile a list of vendors in good standing that includes all registered  
7 vendors that:

8 (a) Are businesses owned and operated by persons with disabilities  
9 or community rehabilitation programs of the department of social and  
10 health services;

11 (b) Have not been in material breach of any quality or performance  
12 provision of any contract for the purchase of goods or services between  
13 the business or program and any state agency during the past twelve  
14 months; and

15 (c) Have achieved, or continue to work towards, the goal of  
16 enhancing opportunities for disadvantaged persons and persons with  
17 disabilities to maximize their opportunities for employment and career  
18 advancement, and increase the number employed and their wages, as  
19 determined by the governor's committee on disability issues and  
20 employment under section 6 of this act.

21 (2) The department of general administration shall annually, but no  
22 less often than once every fifteen months:

23 (a) Request from vendors in good standing information sufficient to  
24 accurately describe all products and services, including but not  
25 limited to any significant quantity or geographic limitations affecting  
26 the availability of such products and services, that such vendors  
27 propose to offer to state agencies during at least the subsequent  
28 fifteen-month period;

29 (b) Disseminate the information obtained in response to the request  
30 made pursuant to (a) of this subsection to at least one purchasing  
31 official in each state agency; and

32 (c) Notify each vendor in good standing of all contracts for the  
33 purchase of goods and services by state agencies with respect to which  
34 the department anticipates either renewing or requesting bids or  
35 proposals within at least twelve months of the date of the notice.

36 (3) The department of general administration and the governor's  
37 committee on disability issues and employment shall jointly prepare

1 and, on or before December 31, 2006, issue a report to the governor and  
2 the legislature. The report shall describe the activities authorized  
3 or required by this act, and their effect on enhancing opportunities  
4 for disadvantaged persons and persons with disabilities to maximize  
5 their opportunities for employment and career advancement, and increase  
6 the number employed and their wages.

7 (4) This section expires December 31, 2007.

8 NEW SECTION. **Sec. 5.** A new section is added to chapter 43.19 RCW  
9 to read as follows:

10 (1) Nothing in this act requires any state agency to take any  
11 action that interferes with or impairs an existing contract between any  
12 state agency and any other party, including but not limited to any  
13 other state agency.

14 (2) Until December 31, 2007, except as provided under RCW 43.19.534  
15 and subsection (1) of this section, a state agency shall not purchase  
16 any product or service identified in the notice most recently  
17 disseminated by the department of general administration, as provided  
18 under section 4(2)(b) of this act, from other than a vendor in good  
19 standing until the state agency has first solicited and considered in  
20 good faith a proposal to provide the goods or service from at least one  
21 vendor in good standing supplying the goods or service needed by the  
22 agency, unless no vendor in good standing supplying the goods or  
23 service needed by the agency responds within ten days to the agency's  
24 solicitation for proposal.

25 NEW SECTION. **Sec. 6.** A new section is added to chapter 50.40 RCW  
26 to read as follows:

27 (1) No less frequently than once each year, the governor's  
28 committee on disability issues and employment shall determine whether  
29 entities seeking to qualify as vendors in good standing, pursuant to  
30 sections 4 and 6 of this act, have achieved, or continue to work  
31 towards, the goal of enhancing opportunities for persons of  
32 disabilities to maximize their employment and career advancement, and  
33 increase the number employed and their wages.

34 (2) In making the determination provided for in subsection (1) of  
35 this section, the governor's committee on disability issues and  
36 employment shall appoint and, except in the case of malfeasance or

1 misfeasance, shall rely upon the conclusions of an advisory  
2 subcommittee consisting of: (a) Three members chosen from among those  
3 current or former clients of a community rehabilitation program who  
4 have nominated themselves, at least one of whom must be a person with  
5 a developmental disability; (b) one member chosen from among those  
6 guardians, parents, or other relatives of a current client or employee  
7 of a community rehabilitation program who have nominated themselves;  
8 (c) one member chosen from among those who have been nominated by a  
9 community rehabilitation program; (d) one member chosen from among  
10 those owners of a business owned and operated by persons with  
11 disabilities who have nominated themselves; (e) one member who is  
12 designated by the developmental disabilities council; (f) one member  
13 who is a member of and selected by the governor's committee on  
14 disability issues and employment; (g) one member who is designated by  
15 the secretary of the department of social and health services; and (h)  
16 one member who is designated by the director of the department of  
17 services for the blind.

18 (3) The advisory subcommittee appointed by the governor's committee  
19 on disability issues and employment shall conclude that entities  
20 seeking to qualify, pursuant to sections 4 and 6 of this act, as  
21 vendors in good standing, have achieved, or continue to work towards,  
22 the goal of enhancing opportunities for persons of disabilities to  
23 maximize their employment and career advancement, and increase the  
24 number employed and their wages if, and only if, the entity provides  
25 reasonably conclusive evidence that, during the twelve-month period  
26 immediately preceding the entity's application, at least one-half of  
27 the following measurement categories applicable to the entity have been  
28 either achieved, pursuant to rules established under subsection (4) of  
29 this section, or have been improved as compared to the entity's  
30 condition with respect to that measurement category one year ago:

31 (a) The number of people with disabilities in the entity's total  
32 work force who are working in integrated settings;

33 (b) The percentage of the people with disabilities in the entity's  
34 total work force who are working in integrated settings;

35 (c) The number of people with disabilities in the entity's total  
36 work force who are working in individual supported employment settings;

37 (d) The percentage of the people with disabilities in the entity's

1 total work force who are working in individual supported employment  
2 settings;

3 (e) The number of people with disabilities in the entity's total  
4 work force who, during the last twelve months, have transitioned to  
5 less restrictive employment settings either within the entity or with  
6 other community employers;

7 (f) The number of people with disabilities in the entity's total  
8 work force who are earning at least the state minimum wage;

9 (g) The percentage of the people with disabilities in the entity's  
10 total work force who are earning at least the state minimum wage;

11 (h) The number of people with disabilities serving in supervisory  
12 capacities within the entity;

13 (i) The percentage of supervisory positions within the entity that  
14 are occupied by people with disabilities;

15 (j) The number of people with disabilities serving in an ownership  
16 capacity or on the governing board of the entity;

17 (k) The ratio of the total amount paid by the entity in wages,  
18 salaries, and related employment benefits to people with disabilities,  
19 as compared to the amount paid by the entity in wages, salaries, and  
20 related employment benefits paid by the entity to persons without  
21 disabilities during the previous year; and

22 (l) The percentage of people with disabilities in the entity's  
23 total work force for whom the entity has developed a reasonable,  
24 achievable, and written career plan.

25 (4) The commissioner shall consult with the advisory subcommittee  
26 established in subsection (2) of this section to develop and adopt  
27 rules establishing the measurement at which it is deemed that the  
28 measurement categories identified in subsection (3)(b), (d), (e), (g),  
29 (h), (j), (k), and (l) of this section have been achieved.

30 (5) This section expires December 31, 2007.

31 NEW SECTION. **Sec. 7.** A new section is added to chapter 50.40 RCW  
32 to read as follows:

33 (1) The commissioner is authorized to adopt rules to implement  
34 section 6 of this act, including but not limited to authority to  
35 establish (a) a nonrefundable application fee of not more than five  
36 hundred dollars to be paid by each entity seeking to establish or renew  
37 qualification as a vendor in good standing, pursuant to sections 4 and

1 6 of this act; (b) a fee of not more than two percent of the face  
2 amount of any contract awarded under this act; or (c) both fees  
3 identified in (a) and (b) of this subsection.

4 (2) The fee or fees established pursuant to subsection (1) of this  
5 section must set a level of revenue sufficient to recover costs  
6 incurred by the department of general administration in fulfilling the  
7 duties identified in section 4 of this act and the governor's committee  
8 on disability issues and employment in fulfilling the duties identified  
9 in section 6 of this act.

10 (3) The vendors in good standing account is created in the custody  
11 of the state treasurer. All receipts from the fee or fees established  
12 pursuant to subsection (1) of this section must be deposited into the  
13 account. Expenditures from the account may be used only for the  
14 purpose described in subsection (2) of this section. Expenditures from  
15 the account may be authorized only upon the approval of both the  
16 director of the department of general administration and the  
17 commissioner, or their respective designees. The account is subject to  
18 allotment procedures under chapter 43.88 RCW, but an appropriation is  
19 not required for expenditures.

20 (4) This section expires December 31, 2007, and any unencumbered  
21 funds remaining in the vendors in good standing account on that date  
22 shall revert to the general fund.

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