

SENATE BILL REPORT

SB 5284

As of January 28, 2021

Title: An act relating to eliminating subminimum wage certificates for persons with disabilities.

Brief Description: Eliminating subminimum wage certificates for persons with disabilities.

Sponsors: Senators Randall, Billig, Carlyle, Das, Hasegawa, Hunt, Keiser, Kuderer, Liias, Lovelett, Nguyen, Nobles, Robinson, Saldaña, Salomon, Stanford, Wellman and Wilson, C..

Brief History:

Committee Activity: Labor, Commerce & Tribal Affairs: 2/01/21.

Brief Summary of Bill

- Prohibits the Washington Department of Labor and Industries (L&I) from issuing subminimum wage special certificates after July 31, 2023.
- Requires L&I to notify the employer, employee, and other individuals of specific information related to special certificates prior to expiration.
- Provides a process by which special certificates may be extended under certain conditions.
- Mandates the Washington Department of Social and Health Services (DSHS) to continue providing services and technical assistance to individuals with disabilities while prioritizing certificate expirations.
- Requires L&I and DSHS to submit an annual report containing specific information related to individuals employed under special certificates until all remaining certificates have expired.

SENATE COMMITTEE ON LABOR, COMMERCE & TRIBAL AFFAIRS

Staff: Matt Shepard-Koningsor (786-7627)

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Background: Minimum Wage. Employers covered under the Washington Minimum Wage Act are required to pay employees age 18 or older at least the minimum hourly wage. The Washington Department of Labor and Industries (L&I) calculates the state minimum wage. The minimum wage is calculated by using a formula tied to the federal Consumer Price Index for urban wage earners and clerical workers. L&I must calculate the minimum wage annually. The current state minimum wage is \$13.69 per hour. Some local jurisdictions have higher minimum wage rates, such as the cities of Seattle and SeaTac.

Special Certificates. L&I has authority to issue special certificates to employers allowing them to pay wages lower than the minimum wage for a fixed period of time. Employers with special certificates can pay sub-minimum wages to learners, student workers, apprentices, and individuals with a disability. If an employer wishes to pay employees less than the federal minimum wage, they must also apply for permission through the U.S. Department of Labor. Washington State agencies may no longer pay a subminimum wage to workers with a disability and previous subminimum wage certificates issued to state agencies expired on June 30, 2020.

State Services. The Washington Department of Social and Health Services (DSHS) provides certain services to individuals with a disability, such as employment services, family counseling and support, health services and equipment, legal services, residential services and support, and transportation services.

Summary of Bill: Special Certificates. After July 31, 2023, the director of L&I (director) may not issue any new special certificates to employers. The director may extend the duration of a special certificate once and for one year, if:

- the employee is eligible for services provided to individuals with a disability; and
- the employer requests the extension.

Provisions authorizing the director to issue special certificates for employment of individuals with a disability are amended to align with the special certificate process.

Notice. The director must provide written notice to the employer, the employee, and the employee's legal guardian of the following information:

- the special certificate expiration date;
- the special certificate extension option; and
- DSHS contact information relating to services offered.

State Services. DSHS must continue providing services and technical assistance to individuals with disabilities and prioritize the special certificate expiration to allow an effective transition into at least minimum wage employment.

Reporting. By October 1, 2021, and annually until all special certificates have expired, L&I and DSHS must report the following information to the Legislature:

- the number of special certificates remaining;

- the number of individuals with a special certificate who contacted DSHS for technical assistance or services;
- the number of individuals still employed after special certificate expiration; and
- specific recommendations on services or assistance to individuals with disabilities.

Appropriation: None.

Fiscal Note: Requested on January 18, 2021.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.