
Commerce & Labor Committee

SSB 6349

Brief Description: Establishing a farm internship program.

Sponsors: Senate Committee on Labor, Commerce & Consumer Protection (originally sponsored by Senators Ranker, Holmquist, Haugen, Hobbs, Becker, Shin and Roach).

Brief Summary of Substitute Bill

- Requires the Department of Labor and Industries to issue certificates allowing the employment of farm interns.
- Sets standards for farm internship programs.
- Exempts services of farm interns from the Minimum Wage Act and from covered employment for purposes of unemployment insurance.

Hearing Date: 2/19/10

Staff: Joan Elgee (786-7106).

Background:

Several laws address the obligation of an employer to persons working for the employer. These include the Minimum Wage Act, the Industrial Insurance Act, and the Employment Security Act. Exemptions apply to all of these laws.

Minimum Wage Act (MWA).

The MWA establishes a minimum wage which must be paid to all employees, unless exempt. Exempt employees include certain agricultural employees and volunteers for educational, charitable, religious, governmental, and nonprofit organizations.

Industrial Insurance Act.

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

Industrial insurance provides medical and time-loss benefits to covered workers injured in the course of employment. Coverage is mandatory unless an exemption applies. Exemptions include certain persons working around the employer's private home, certain corporate officers, and a child between the ages of 18 – 20 years working in agricultural activities on the family farm. Employers must either insure through the state fund, which is funded from premiums collected from both employers and covered workers, or may self insure if qualified.

Employment Security Act.

Qualified individuals who become unemployed are entitled to unemployment benefits. Benefits are funded by contributions collected from most employers in the state. Exemptions include certain agriculture labor performed by students.

Industrial Welfare Act (IWA).

The IWA regulates hours and conditions of labor, and wages not covered by the MWA. The IWA also covers minor work permits, the family care law, and other matters. The provisions of the IWA relating to hours and conditions of labor and wages do not apply to certain agricultural labor.

Summary of Bill:

Farm Internships.

The Department of Labor and Industries (Department) must provide for special certificates for farm interns. A "farm intern" is an individual who provides services to a small farm under a written agreement and primarily as a means of learning about farming practices and farm enterprises. A "farm internship" is an educational program that provides a curriculum of learning modules and supervised participation in farm work activities designed to teach farming practices and farm enterprises.

Farms seeking to employ interns must submit an application to the Department. The application must set forth:

- a description of the activities of the farm;
- the type of work to be performed by the farm intern;
- a description of the intern program;
- wages, if any, that will be paid;
- the total number of interns sought; and
- the total number of workers employed on the farm.

The Department must issue a certificate within 15 days if it finds that:

- the farm qualifies as a small farm (annual sales under \$250,000);
- the farm has had no serious violations of the Minimum Wage Act or the Industrial Insurance Act that provide reasonable grounds to believe the terms of an agreement may not be complied with;
- the issuance of a certificate will not create unfair competitive cost advantages, or impair or depress wage or working standards for experienced farm workers; and

- the internship is reasonably designed to provide the intern with vocational knowledge and skills about farming practices and activities. A certificate must state, among other things, the authorized subminimum wage rate, if any, and the period of time during which such wage rate may be paid; and the total number of interns authorized. The Department may consult with relevant university departments and programs and state and local government agencies in evaluating the program.

If the Department denies a certificate, a farm may appeal.

A farm and intern must sign a written agreement which describes the internship program offered; explicitly states that the intern is not entitled to the minimum wage; describes the mutual responsibilities, expectations, and obligations, including the number of hours per week; describes the activities of the farm and the work the intern will perform; and describes any wages, room and board, stipends, and other remunerations.

The Department is given rule-making authority to implement the farm internship program.

Minimum Wage Act (MWA).

A farm intern providing services under a farm internship program is not an employee for purposes of the MWA.

Industrial Insurance Act.

The Department must provide a special risk class or classes for farm interns by rule. The rules must include any requirements for a small farm to obtain a special risk class.

Industrial Welfare Act (IWA).

The provisions of the IWA relating to hours and conditions of labor and wages do not apply to farm intern agricultural labor under the Employment Security Act.

Employment Security Act.

Agricultural labor provided by a farm intern under an internship program is not considered covered employment for unemployment insurance purposes. Agricultural labor by a farm intern includes direct local sales of an agricultural or horticultural commodity after its delivery to a terminal market.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.