

SENATE BILL REPORT

SB 6495

As Reported by Senate Committee On:
Commerce & Labor, February 3, 2014

Title: An act relating to establishing a temporary teen training wage.

Brief Description: Establishing a temporary teen training wage.

Sponsors: Senators Holmquist Newbry, Baumgartner, Angel, Parlette and Braun.

Brief History:

Committee Activity: Commerce & Labor: 1/29/14, 1/31/14, 2/03/14 [DP, DNP].

SENATE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass.

Signed by Senators Holmquist Newbry, Chair; Braun, Vice Chair; Hewitt and King.

Minority Report: Do not pass.

Signed by Senators Conway, Ranking Member; Hasegawa and Kohl-Welles.

Staff: Mac Nicholson (786-7445)

Background: Initiative 688, approved by voters in 1998, requires the Department of Labor and Industries (L&I) to make annual increases to the state minimum wage for adult workers by the rate of inflation. L&I recalculates the minimum wage in September, and it takes effect the following January. L&I has authority to establish the minimum wage for minors in rule. Teen workers 16 or older must be paid at least the same minimum wage rate as adults, and workers under the age of 16 must be paid at least 85 percent of the minimum wage.

L&I also has the statutory 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 impaired by age or physical or mental deficiency or injury.

The state minimum wage is \$9.32 per hour. The federal minimum wage is \$7.25 per hour.

Summary of Bill: Employers may pay teen training wages to new employees 16 to 19 years of age at 85 percent of the minimum wage, \$7.92 per hour, or at the federal minimum wage, whichever is greater.

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.

Employees working under the teen training wage may not constitute more than 10 percent of an employer's workforce. Employers with fewer than 20 employees may employ two employees at one time using the teen wage.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony: PRO: This bill would make employment of teens more attractive to employers and would allow retailers to hire more teenagers. The bill will help teens learn important basic job skills during summer jobs and will help teens establish a work ethic for life.

CON: Studies have shown no impact of higher minimum wage on teen employment levels. The bill would displace adult workers and benefit big box retailers. The bill is discriminatory against young workers trying to support a family or save money for college. The bill does not include any training or curriculum requirement and does not require the wage for first-time teen job seekers only.

OTHER: A high minimum wage hurts low-wage workers. This bill would provide alternative wage option for employers wishing to employ teenagers for summer jobs.

Persons Testifying: PRO: Mark Johnson, WA Retail Assn.; Patrick Connor, National Federation of Independent Business, WA; Bob Lycke, Kuker-Ranken Inc.; Lynda Wilson, DeWils Industries; Kelly and Jeff Chambers, Visiting Angels; Carolyn Logue, WA Food Industry Assn.; Judy Coover, Printcom, Inc.

CON: Diego Rondon Ichikawa, National Employment Law Project.

OTHER: Erin Shannon, WA Policy Center.