

SENATE BILL REPORT

EHB 1706

As Reported by Senate Committee On:
Labor & Commerce, April 1, 2019

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

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

Sponsors: Representatives Frame, Sells, Macri, Doglio, Gregerson, Riccelli, Callan, Jinkins, Goodman, Valdez, Bergquist, Kloba and Pollet.

Brief History: Passed House: 3/11/19, 81-17.

Committee Activity: Labor & Commerce: 4/01/19, 4/01/19 [DPA, w/oRec].

Brief Summary of Amended Bill

- Prohibits subminimum wage certificates for individuals with disabilities employed by state agencies beginning July 1, 2020.
- Prohibits subminimum wage certificates for individuals with disabilities employed by all other entities beginning January 1, 2023.
- Requires the Department of Labor and Industries and the Department of Social and Health Services to submit a report to the Legislature by December 1, 2022.

SENATE COMMITTEE ON LABOR & COMMERCE

Majority Report: Do pass as amended.

Signed by Senators Keiser, Chair; King, Ranking Member; Saldaña and Wellman.

Minority Report: That it be referred without recommendation.

Signed by Senators Braun and Walsh.

Staff: Jarrett Sacks (786-7448)

Background: Special Certificates. Employers covered under the Minimum Wage Act are required to pay employees age eighteen or older at least the minimum hourly wage. The Department of Labor & Industries (L&I) has the authority to issue special certificates to

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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, physical or mental deficiency, or injury.

Developmental Disabilities Administration. The Department of Social and Health Services' (DSHS) DDA assists individuals with developmental disabilities and their families to obtain services and support based on individual preferences, capabilities, and needs. Eligibility for DDA services depends on whether the client has a qualified developmental disability, has a functional need, and meets certain income and asset standards. The services provided to clients include employment services and community access services, which are contracted with counties.

Employment services provide ongoing support services and training for eligible persons in a variety of settings and work sites. These include individual supported employment, group supported employment, and preemployment services.

Community access services assist individuals to participate in activities that promote individualized skill development, independent living, and community integration.

In general, DDA clients twenty-one years and older must be enrolled in employment services for nine months before transferring to community access services.

Summary of Amended Bill: Beginning July 1, 2020, no state agency may employ an individual to work under a special certificate for the employment of individuals with disabilities at less than minimum wage. Any special certificate issued by L&I to a state agency must expire by June 30, 2020.

Beginning January 1, 2023, no entity in the state may employ an to work under a special certificate for the employment of individuals with disabilities at less than minimum wage. Any special certificate issued by L&I for the employment of an individual with a disability must expire by December 31, 2022.

By December 1, 2022, L&I and DSHS must submit a report to the Legislature with the following information:

- the number of workers currently working under a special certificate for the employment of individuals with disabilities at less than minimum wage;
- the counties of residence of such workers; and
- whether such workers are eligible to receive individualized technical assistance and the estimated cost to DSHS to provide individualized technical assistance to the workers who are not eligible.

EFFECT OF LABOR & COMMERCE COMMITTEE AMENDMENT(S): Subminimum wage certificates for people with disabilities employed by state agencies are prohibited beginning on July 1, 2020. Subminimum wage certificates for individuals with disabilities employed by all other entities are prohibited beginning January 1, 2023. A report to the Legislature by DSHS and L&I is required by December 1, 2022.

Appropriation: None.

Fiscal Note: Available.

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

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

Staff Summary of Public Testimony on Engrossed House Bill: *The committee recommended a different version of the bill than what was heard.* PRO: Current law is a relic of the past and predates the Americans with Disabilities Act. Back then, they had a different opinion of people with disabilities. This bill is part of a national movement and passed with bipartisan support. If a person with a disability works, they should be paid minimum wage because all people deserve equal and fair pay. People with severe disabilities can be supported in other ways that do not depend on a subminimum wage. The bill does not eliminate group supported employment, it just requires them to pay minimum wage. Group supported employers can make the transition and pay the full minimum wage as some in the state have already done. We should not assume employers will not step up and pay minimum wage.

CON: The bill puts jobs at risks and makes assumptions that employers can afford to pay the minimum wage. Advocates for the bill do not represent the whole disabled community, especially those who are severely disabled and cannot advocate for themselves. Some people are not able to find individual employment and rely on group supported employment. The bill will eliminate group supported employment and reduce hours of work and the number of jobs available. Wages are not always the most important aspect of a job. The bill does not provide a new structure or new funding, which will harm people using group supported employment. The federal government recommended a six year phase-in, while this bill has no phase-in. People without higher level skills will lose jobs that they enjoy.

Persons Testifying: PRO: Representative Noel Frame, Prime Sponsor; Jessica Renner, citizen; Tim Goodwin, Morningside; Jim Larson, Morningside (CEO, Retired); Joshua Lee Major, self advocate; Jenni Mecham, Chair of the Washington Democrats Disability Issues Caucus; Samantha Arrendondo, self advocate; Gillian Maguire, Microsoft; Tom Gaulke, Entrust Community Services; Kyle Matheson, People First of Washington; Joanne O'Neill, parent; Victor Vanderdoes, parent; Aubrey Baier, Business Owner; Cathy Murahashi, The Arc of King County; Joseph Morrison, self advocate; Debbie Myers, SKCAC; Eric Matthes, The Arc of King County Self Advocate; Debbie Meyers, SKCAC Industries and Employment Services, Executive Director.

CON: Joe Weinand, citizen; Aaron Wright, citizen; Clayton Wright, citizen; Kelley Nesbitt, Families Building Better Lives for Those with DD; Ryan Nesbitt, self advocate; Thomas McCabe, citizen; Dayna Stevenson, citizen; Vivian Stevenson, citizen; Debby Gill, citizen; Alan Gill, citizen; Jo Simms, Families Building Better Lives; Cheryl Felak, citizen.

Persons Signed In To Testify But Not Testifying: PRO: Denise Mackenstadt, citizen; Marci Carpenter, National Federation of the Blind, Washington; Jayson Morris, citizen; Anna Miller, self advocate; Aimee Champion, citizen; Ivanova Smith, self advocate; Shaun

Bickley, The Arc of King County; Mike Rogers, self advocate; Emily Rogers, self advocate; Robert Werdell, self advocate; Jennifer Cole, citizen; Anna Miller, Morningside.

OTHER: Evelyn Perez, Developmental Disabilities Administration; Susan Harrell, WISE; Suzy Stremmel, King County Human Services.