SENATE BILL REPORT SB 5722

As Reported by Senate Committee On: Labor & Commerce, February 21, 2025

Title: An act relating to creating a grant program to promote local workforce development, reduce transportation pollution, and strengthen food sovereignty and climate and disaster resiliency.

Brief Description: Creating a grant program to promote local workforce development, reduce transportation pollution, and strengthen food sovereignty and climate and disaster resiliency.

Sponsors: Senators Saldaña, Chapman, Hasegawa, Lovelett, Trudeau and Valdez.

Brief History:

Committee Activity: Labor & Commerce: 2/17/25, 2/21/25 [DP-WM, DNP, w/oRec].

Brief Summary of Bill

- Creates a grant program, administered by the Employment Security Department, for certain farmers of handpicked specialty crops.
- Provides that a grant to a farm may be in an amount up to the equivalent of eight weeks of their paid overtime hours during their peak harvest season, up to \$40,000.

SENATE COMMITTEE ON LABOR & COMMERCE

Majority Report: Do pass and be referred to Committee on Ways & Means. Signed by Senators Saldaña, Chair; Conway, Vice Chair; Alvarado, Ramos and Stanford.

Minority Report: Do not pass.

Signed by Senators King, Ranking Member; MacEwen.

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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.

Minority Report: That it be referred without recommendation.

Signed by Senator Schoesler.

Staff: Jarrett Sacks (786-7448)

Background: Overtime Reimbursement Grant Program. As part of last year's operating budget, the Legislature appropriated \$250,000 to the Washington State Department of Agriculture (WSDA) to administer a grant program for vegetable farmers to reimburse qualifying overtime wages paid to their employees. To qualify for the grant, a farm must:

- grow handpicked specialty crop vegetables that are provided to local markets or schools;
- hire only domestic agricultural workers; and
- be owned and operated by a state resident.

WSDA issues grants in an amount up to four weeks of the farm's paid overtime during peak harvest, up to \$20,000. Grants to approved farms are provided on a first come, first served basis until all funds are awarded, or until June 30, 2025, whichever is earlier.

For the purposes of the grant, specialty crops are fruits and vegetables, tree nuts, dried fruits and horticulture and nursery crops, including floriculture. Specialty crop vegetables are crops that are recognized as vegetables or culinary herbs within the United States Department of Agriculture's definition of specialty crops. Vegetables do not include fruits, berries, tree nuts, grains, oilseeds, ornamentals, or nursery products.

A local market includes sales of hand-harvested vegetables to end users within Washington or within 275 miles from the farm. A domestic agricultural worker is a worker directly employed by the farm who is not employed by a third-party farm labor contractor and who is not an H-2A worker.

Office of Agricultural and Seasonal Workforce Services. The Office of Agricultural and Seasonal Workforce Services (ASWS) was created within ESD to, among other things, process and adjudicate foreign labor certification applications from employers, conduct field checks and field visits, and conduct training and outreach activities to employers using the federal H-2A Program.

Summary of Bill: A grant program, administered by ESD, is created for farmers to promote hiring of local workers, reduce transportation pollution, and strengthen food sovereignty and climate and disaster resiliency.

To qualify for a grant, a farm must:

- grow handpicked specialty crops that are (1) sold to consumers at local markets, or (2) sold or donated to local schools or food banks;
- · hire only domestic agriculture workers; and
- be owned and operated by a state resident.

Local means within 250 miles of the farm where the specialty crop is grown.

Each farm may be offered grant funding in an amount up to the equivalent of eight weeks of their paid overtime hours during peak harvest season for their specialty crop, up to \$40,000.

Administering the grant program is added to ASWS's required duties.

Appropriation: None.

Fiscal Note: Requested on February 11, 2025.

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: PRO: We want to encourage hiring local labor and promoting local food. Change is hard to manage and the bill is intended to help with the transition and encourage local production. The bill gives grants for labor to harvest crops in local markets. Small farms are being sold on a regular basis and small farmers are under tremendous cost pressures, so the bill could go a long way to help them. The increase in the grant amount is good, but there should be more flexibility for those who qualify with regarding who the crops are being sold to.

CON: The bill excludes certain farms that mechanize their harvest. We need to explore alternative methods to ease the burden. The problem should be solved at the cause. Labor costs in Washington are much higher than national average and the margins are tight on a lot of commodities.

OTHER: The bill may not support those who need it because the eligibility is too narrow. The domestic workforce requirement is not realistic given the labor shortage.

Persons Testifying: PRO: Senator Rebecca Saldaña, Prime Sponsor; Charlie Brown, Washington Asparagus Commission; Bonny Jo Peterson.

CON: Nick Johnson, Johnson Agriprises Inc.

OTHER: Jared England.

Persons Signed In To Testify But Not Testifying: No one.