



Legislative Objective

Labor & Employment Law

In 2006, four main issues promise to dominate the legislative landscape in labor & employment law: labor's push for a paid family leave insurance program, labor's push to limit or regulate the sourcing of work to locations outside the state of Washington and United States, the Department of Labor & Industries' push for administrative penalty authority over wage and hour violations, and employers' effort to achieve greater clarity and certainty in wage and hour laws.

Clarification of State Wage & Hour Laws

Since the *Drinkwitz* decision in 2000, the interpretation of state wage and hour law has been unnecessarily uncertain, as parties lost the historical ability to rely on federal standards and guidelines when state law is silent or ambiguous. Employers seek a return to state conformity with federal interpretations and "safe harbor" when relying on positions, interpretations, or administrative policies on wage and hour matters issued by the Department of Labor & Industries.

Paid Family Leave Insurance

Each year since 2000, labor has attempted to create a paid family leave program in Washington. Recent proposals, such as 2005's Senate Bill 5069, would create a state-run insurance program financed in part by employers and employees that would allow up to five weeks of wage replacement during a family leave. Concerns over the cost, administration, and details of the program led to its demise in 2005, but not before passing the State Senate and two committees in the House of Representatives.

Global Sourcing

The labor movement in Washington continues to push for regulations or prohibitions on the sourcing of work to locations outside the United States. In 2005, the debate largely focused on companies contracting with the state to provide goods or services. Because of doubts raised by AWB over the legitimacy of the issue, Senate Concurrent Resolution 8407 was passed to create a joint legislative task force to study the issue and report back to the 2006 legislature. The task force is organizing in mid-September, 2005.

Administrative Penalties for Wage and Hour Violations

For the last several sessions, the Department of Labor & Industries has proposed an agency request bill to authorize imposition of civil money penalties on employers through an administrative process. House Bill 1311 in 2005 was an example of the Department's desire for expanded authority. Employers had discussions with the Department to provide greater predictability and fairness in penalty enforcement while ensuring the Department could only penalize intentional violators. Those discussions continue and an agreed bill is possible for the 2006 session.

AWB's Position:

- Support election and exclusivity of remedies between administrative and civil processes, and "safe harbor" provisions as part of any compromise on administrative penalty authority. Support reasonable administrative penalties against those who intentionally violate wage and hour laws while protecting employers who rely in good faith on federal law or interpretations, or Departmental advice or interpretations, of wage and hour law.
- Promote greater flexibility and create incentives for employers to provide workers with leave to care for illness.
- Oppose proposals to create a costly, state-run paid leave program with mandated benefits.
- Support impartial analysis of the benefits and importance of the global market on Washington's economy. Oppose measures that restrict the competitive business decisions of Washington employers or that jeopardize trading relationships by sending protectionist signals. Support economic incentives for insourcing.

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