



Nov 8, 2016 General Election Ballot Measure Summary Series

Measure: State of Washington Initiative 1433 — Concerns Labor Standards

Ballot Title (what you will see on the ballot):

Initiative Measure No. I-1433 concerns labor standards.

This measure would increase the state minimum wage to \$11.00 in 2017, \$11.50 in 2018, \$12.00 in 2019, and \$13.50 in 2020, require employers to provide paid sick leave, and adopt related laws.

Should this measure be enacted into law? Yes [] No []

(official – as filed with the Secretary of State’s Office)

Summary:

This measure concerns raising the minimum wage and requiring that employers provide paid sick leave. It would increase the hourly minimum wage statewide for employees who are at least 18 years old on a gradual scale as stated in the ballot title. Increases after 2020 would be tied to the rate of inflation. The measure would require employers to provide paid sick leave starting in 2018 that employees could use in certain circumstances related to health and wellness, including caring for family members. The measure would also make the minimum wage act apply to individual care providers and adopt related laws.

The federal minimum wage is \$7.25 an hour. It was last increased in 2009. Twenty-nine states and Washington D.C. have minimum wages higher than the federal minimum. Washington’s current minimum wage is \$9.47 an hour, the fourth highest in the country. The highest state minimum wage in the country is \$10.00 currently. Since 1998, the minimum wage in Washington has increased annually based on the consumer price index. A number of cities in Washington, including Seattle, have set the minimum wage higher than the state minimum wage. Currently 730,000 workers in the state are estimated to earn less than \$13.50 an hour.

Immediate Effects, if Passed: Thousands of Washington workers would see immediate wage increases. Tips and service charges would not count toward the minimum wage. Thousands of Washington workers would begin to accrue sick leave at the rate of 1 hour for each 40 hours worked. They could use these hours to care for themselves or family members. They would become eligible to use sick leave after 90 days of employment. Sick leave would carry over to the following year. This measure does not preclude local jurisdictions from enacting labor standards more favorable to employees than those provided in this measure. Wage increases for individual providers caring for disabled individuals under contract to the state would not be affected until 2020.

Fiscal Effects, if passed: Fiscal effects on the state will vary over time. General Fund expenditures are estimated to be reduced by \$5.1 million in 2015-17, by \$10.4 million in 2017-19 and by \$4 million in 2019-20. These expenditures would increase beginning in 2021. Other fund expenditures would increase. Every town, park district and school district should expect expenditure increases due to higher wage payments.

Arguments for the measure:

People who support the measure argue that if people work hard and play by the rules they should be able to support a family; a wage of \$9.47 per hour is inadequate. A higher minimum wage increases the standard of living for the lowest paid employees in society and increases incentives to take jobs rather than rely on public assistance or illegal activities. A higher minimum wage may decrease cost of government social programs and stimulate consumption by putting money in the hands of low-income people to be greater participants in the economy.

The sick leave provision will improve public health, as ill employees will stay at home and get well, rather than reporting to work and spreading illness and diseases.

Arguments against the measure:

Opponents argue that a higher minimum wage will create greater unemployment by causing employers to lay off workers, cut hours, create fewer jobs, increase prices, move to a different state or country, or close their doors entirely.

The initiative does not differentiate among areas of the state to allow for different costs of living or types of work, or allow for a lower “training wage.” It may cause price inflation. Businesses and jobs may be displaced to states without high minimum wages. Poverty may increase due to the effects of depressing employment and discouraging business.