

ADDITIONAL REGULATION NOTICE INFORMATION  
(AS 44.62.190(d))

1. Adopting agency: Department of Labor and Workforce Development
2. General subject of regulation: Minimum wage exemption for persons with disabilities
3. Citation of regulation: 8 AAC 15.120
4. Department of Law file number: JU2017200608
  
5. Reason for the proposed action: the Department of Labor and Workforce Development, Division of Vocational Rehabilitation recommends that 8 AAC 15.120 Minimum wage exemption for persons with disabilities be repealed. No Department of Labor and Workforce Development Commissioner has ever exercised this authority. There are currently only six Alaskan 14(c) employers who received authorization by the United States Department of Labor, Wage and Hour Division under AS 23.10.070 to pay subminimum wage to persons with disabilities. Of these, four employers no longer use the exemption. The remaining two employers currently pay subminimum wages to only about 20 Alaskan workers with disabilities. Further, the need for subminimum wage employment for persons with disabilities is being seriously questioned both nationally and in Alaska. Current experience demonstrates that, with support, persons with disabilities can work at typical jobs in typical work places at minimum wage or higher. The practice of paying subminimum wage to persons with disabilities under the Fair Labor Standards Act or under AS 23.10.070 was historically viewed as necessary and even progressive. However, subminimum wages are now considered incompatible with current knowledge, practice, and experience.
  
6. Appropriation/Allocation: Division of Vocational Rehabilitation/Client Services-1828
  
7. Estimated annual cost to comply with the proposed action to:  
  
A private person: none  
Another state agency: none  
A municipality: none
  
8. Cost of implementation to the state agency and available funding: there are no expected costs in FY 2018 or in subsequent years

9. The name of the contact person for the regulation:

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10. The origin of the proposed action: Staff of state agency, as well as state and national advocacy and disability-rights groups.

11. Date: 9/21/17 Prepared by: John Cannon

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