## ENGROSSED SECOND SUBSTITUTE HOUSE BILL 2449

## State of Washington 60th Legislature 2008 Regular Session

By House Appropriations (originally sponsored by Representatives Pettigrew, Conway, Goodman, Kagi, Haler, Priest, Morrell, Green, Appleton, Sullivan, Wood, Sells, Williams, Haigh, Campbell, Simpson, Wallace, Barlow, Ormsby, Kessler, Jarrett, Dunshee, Walsh, Hudgins, Moeller, VanDeWege, Blake, Hasegawa, Hunt, Liias, Miloscia, McIntire, Kenney, Santos, Cody, Nelson, Rolfes, Chase, and Darneille)

READ FIRST TIME 02/12/08.

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AN ACT Relating to improving quality, access, and stability of child care through providing collective bargaining for child care center directors and workers; amending RCW 41.56.028, 41.56.030, 41.56.113, 41.04.810, and 43.01.047; adding a new section to chapter 43.215 RCW; adding a new section to chapter 74.08A RCW; adding a new section to chapter 74.12 RCW; and creating new sections.

## 7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

NEW SECTION. Sec. 1. The legislature finds that, as of 2008, the challenges posed by low wages and lack of training that the legislature identified in enacting the child care career and wage ladder persist, and the availability of quality child care in the state continues to suffer. The legislature intends to address these problems by creating the possibility for a new relationship between child care center directors and workers and the state. Child care center directors and workers are to be given the opportunity to work collectively to improve standards in their profession and to expand opportunities for educational advancement to ensure continuous quality improvement in the delivery of early learning services. Family child care providers in

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the state have recently been given a similar opportunity, and the results of their efforts have improved standards and quality for that segment of the child care industry.

The legislature intends to create a new type of collective 4 bargaining for these directors and workers whereby they can come 5 together and bargain with the state over matters within the state's 6 7 purview and support for improving the quality of child care for the state's families. Unlike traditional collective bargaining, this new 8 approach will afford these directors and workers the opportunity to 9 10 bargain with the state only over the state's support for child care centers, a matter of common concern to both directors and workers. 11 12 Specific terms and conditions of employment at individual centers, 13 which are the subjects of traditional collective bargaining between employers and their employees, fall outside the limited scope of 14 15 bargaining defined by this act. Accordingly, traditional policy concerns over supervisors and employees being organized into a common 16 17 bargaining unit are inapplicable. Sharing a community of interest in the subjects of bargaining enables directors and workers to work side 18 by side in the same bargaining unit for common goals. 19

All child care center directors and workers will equally be able to maintain full membership in the organization that represents them in their efforts to improve the quality of child care they provide to the state's children. This new bargaining relationship does not intrude in any manner upon those relationships governed by the national labor relations act (29 U.S.C. Sec. 151 et seq). Child care center directors and workers do not forfeit their rights under the national labor relations act by becoming members of an organization that represents them in their dealings with the state. Under the national labor relations act, an organization that represents child care center directors and workers in bargaining with the state under this act is precluded from representing workers seeking to engage in traditional collective bargaining with their employer over specific terms and conditions of employment at individual child care centers.

- 34 **Sec. 2.** RCW 41.56.028 and 2007 c 278 s 2 are each amended to read as follows:
- 36 (1) In addition to the entities listed in RCW 41.56.020, this 37 chapter applies to the governor with respect to family child care

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- providers and to child care center directors and workers. Solely for the purposes of collective bargaining and as expressly limited under subsections (2) and (3) of this section, the governor is the public employer of family child care providers and of child care center directors and workers who, solely for the purposes of collective bargaining, are public employees. The public employer shall be represented for bargaining purposes by the governor or the governor's designee appointed under chapter 41.80 RCW.
  - (2) This chapter governs the collective bargaining relationship between the governor and family child care providers and between the governor and child care center directors and workers, except as follows:

- (a) ((A statewide unit of all family child care providers is)) The only units appropriate for purposes of collective bargaining under RCW 41.56.060 are:
  - (i) A statewide unit for family child care providers; and
  - (ii) The units for child care center directors and workers determined by the commission which shall conform to the unit requested in the application for certification as the bargaining representative if consistent with the terms of this act. In determining the units, the commission shall include in the same unit all child care center directors and workers employed at child care centers located in department of social and health services regions or subregions existing on the effective date of this section, and shall group together regions to minimize the number of units.
    - (b) The exclusive bargaining representative of family child care providers or of child care center directors and workers in the units specified in (a) of this subsection shall be the representative chosen in an election conducted pursuant to RCW 41.56.070, except that:
    - (i) In the initial election conducted under chapter 54, Laws of 2006, or this act, if more than one labor organization is on the ballot and none of the choices receives a majority of the votes cast, a run-off election shall be held; and
  - (ii) To show at least thirty percent representation within a unit to accompany a request for an initial election under this act, the written proof of representation is valid only if collected not more than two years prior to the date the request is filed with the commission.

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- (c)(<u>i</u>) Notwithstanding the definition of "collective bargaining" in RCW 41.56.030(4), the scope of collective bargaining for <u>family</u> child care providers under this section shall be limited solely to:  $((\frac{1}{(i+1)}))$  (<u>A</u>) Economic compensation, such as manner and rate of subsidy and reimbursement, including tiered reimbursements;  $((\frac{1}{(i+1)}))$  (<u>B</u>) health and welfare benefits;  $((\frac{1}{(i+1)}))$  (<u>C</u>) professional development and training;  $((\frac{1}{(i+1)}))$  (<u>D</u>) labor-management committees;  $((\frac{1}{(i+1)}))$  (<u>E</u>) grievance procedures; and  $((\frac{1}{(i+1)}))$  (<u>F</u>) other economic matters. Retirement benefits shall not be subject to collective bargaining. By such obligation neither party shall be compelled to agree to a proposal or be required to make a concession unless otherwise provided in this chapter.
- (ii) Notwithstanding the definition of "collective bargaining" in RCW 41.56.030(4), the scope of collective bargaining for child care center directors and workers under this section shall be limited solely to these matters within the purview of the state and within the community of interest of child care center directors and workers: (A) Professional development and training; (B) mechanisms and funding to improve the access of child care centers to health care insurance and other benefit programs; (C) economic compensation to child care centers, such as manner and rate of subsidy and reimbursement, including tiered reimbursements; (D) other economic support for child care centers; and (E) grievance procedures related to (c)(ii)(A) through (D) of this subsection. Retirement benefits shall not be subject to collective bargaining. By such obligation neither party shall be compelled to agree to a proposal or be required to make a concession unless otherwise provided in this chapter.
- (d) The mediation and interest arbitration provisions of RCW 41.56.430 through 41.56.470 and 41.56.480 apply, except that:
- (i) With respect to commencement of negotiations between the governor and the exclusive bargaining representative of family child care providers or of child care center directors and workers, negotiations shall be commenced initially upon certification of an exclusive bargaining representative under (a) of this subsection and, thereafter, by February 1st of any even-numbered year; and
- (ii) The decision of the arbitration panel is not binding on the legislature and, if the legislature does not approve the request for

- funds necessary to implement the compensation and benefit provisions of the arbitrated collective bargaining agreement, is not binding on the state.
  - (e) <u>Nothing in chapter 54, Laws of 2006, or this act grants family</u> child care providers ((<del>do not have</del>)) <u>and child care center directors</u> <u>and workers</u> the right to strike.
  - (3) Family child care providers and child care center directors and workers who are public employees solely for the purposes of collective bargaining under subsection (1) of this section are not, for that reason, employees of the state for any purpose. This section applies only to the governance of the collective bargaining relationship between the employer and family child care providers and between the employer and child care center directors and workers as provided in subsections (1) and (2) of this section.
    - (4) This section does not create or modify:

- (a) The parents' or legal guardians' right to choose and terminate the services of any family child care provider that provides care for their child or children;
- (b) The child care centers' right to choose, direct, and terminate the services of any child care worker who provides care in the center;
- (c) The rights of employers and employees under the national labor relations act, 29 U.S.C. Secs. 151 et seq.;
- (d) The secretary of the department of social and health services' right to adopt requirements under RCW 74.15.030, except for requirements related to grievance procedures and collective negotiations on personnel matters as specified in subsection (2)(c) of this section;
- $((\frac{(c)}{(c)}))$  (e) Chapter 26.44 RCW, RCW 43.43.832, 43.20A.205, and 74.15.130; and
  - ((\(\frac{(d)}{(d)}\))) (f) The legislature's right to make programmatic modifications to the delivery of state services through child care subsidy programs, including standards of eligibility of parents, legal guardians, ((\(\frac{and}{and}\))) family child care providers, and child care centers participating in child care subsidy programs, ((\(\frac{and}{and}\))) the nature of services provided, and the right to determine standards for professional development and training, quality criteria, or ratings through programs such as a quality rating system. The governor shall

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not enter into, extend, or renew any agreement under this section that does not expressly reserve the legislative rights described in this subsection  $(4)((\frac{d}{d}))$  (f).

- (5) Upon meeting the requirements of subsection (6) of this section, the governor must submit, as a part of the proposed biennial or supplemental operating budget submitted to the legislature under RCW 43.88.030, a request for funds necessary to implement the compensation and benefit provisions of ((a)) collective bargaining agreements entered into under this section or for legislation necessary to implement such agreements.
- (6) A request for funds necessary to implement the compensation and benefit provisions of ((a)) collective bargaining agreements entered into under this section shall not be submitted by the governor to the legislature unless such request has been:
- (a) Submitted to the director of financial management by October 1st before the legislative session at which the request is to be considered, except that, for initial negotiations under this section for family child care providers, the request must be submitted by November 15, 2006, and for child care center directors and workers, the request must be submitted by November 15, 2008; and
- (b) Certified by the director of financial management as being feasible financially for the state or reflects the binding decision of an arbitration panel reached under this section.
- (7) The legislature must approve or reject the submission of the request for funds as a whole. If the legislature rejects or fails to act on the submission, any such agreement will be reopened solely for the purpose of renegotiating the funds necessary to implement the agreement.
- (8) The governor shall periodically consult with the joint committee on employment relations established by RCW 41.80.010 regarding appropriations necessary to implement the compensation and benefit provisions of any collective bargaining agreement and, upon completion of negotiations, advise the committee on the elements of the agreement and on any legislation necessary to implement such agreement.
- (9) After the expiration date of any collective bargaining agreement entered into under this section, all of the terms and conditions specified in any such agreement remain in effect until the

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effective date of a subsequent agreement, not to exceed one year from the expiration date stated in the agreement, except as provided in subsection  $(4)((\frac{d}{d}))$  (f) of this section.

- (10) If, after the compensation and benefit provisions of an agreement are approved by the legislature, a significant revenue shortfall occurs resulting in reduced appropriations, as declared by proclamation of the governor or by resolution of the legislature, both parties shall immediately enter into collective bargaining for a mutually agreed upon modification of the agreement.
- 10 (11) In enacting this section, the legislature intends to provide 11 state action immunity under federal and state antitrust laws for the 12 joint activities of family child care providers and their exclusive 13 bargaining representative and of child care center directors and 14 workers and their exclusive bargaining representatives to the extent 15 such activities are authorized by this chapter.
  - Sec. 3. RCW 41.56.030 and 2007 c 184 s 2 are each amended to read as follows:

As used in this chapter:

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- (1) "Public employer" means any officer, board, commission, council, or other person or body acting on behalf of any public body governed by this chapter, or any subdivision of such public body. For the purposes of this section, the public employer of district court or superior court employees for wage-related matters is the respective county legislative authority, or person or body acting on behalf of the legislative authority, and the public employer for nonwage-related matters is the judge or judge's designee of the respective district court or superior court.
- (2) "Public employee" means any employee of a public employer except any person (a) elected by popular vote, or (b) appointed to office pursuant to statute, ordinance or resolution for a specified term of office as a member of a multimember board, commission, or committee, whether appointed by the executive head or body of the public employer, or (c) whose duties as deputy, administrative assistant or secretary necessarily imply a confidential relationship to (i) the executive head or body of the applicable bargaining unit, or (ii) any person elected by popular vote, or (iii) any person appointed to office pursuant to statute, ordinance or resolution for a specified

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- term of office as a member of a multimember board, commission, or committee, whether appointed by the executive head or body of the public employer, or (d) who is a court commissioner or a court magistrate of superior court, district court, or a department of a district court organized under chapter 3.46 RCW, or (e) who is a personal assistant to a district court judge, superior court judge, or court commissioner. For the purpose of (e) of this subsection, no more than one assistant for each judge or commissioner may be excluded from a bargaining unit.
  - (3) "Bargaining representative" means any lawful organization which has as one of its primary purposes the representation of employees in their employment relations with employers.
  - (4) "Collective bargaining" means the performance of the mutual obligations of the public employer and the exclusive bargaining representative to meet at reasonable times, to confer and negotiate in good faith, and to execute a written agreement with respect to grievance procedures and collective negotiations on personnel matters, including wages, hours and working conditions, which may be peculiar to an appropriate bargaining unit of such public employer, except that by such obligation neither party shall be compelled to agree to a proposal or be required to make a concession unless otherwise provided in this chapter.
    - (5) "Commission" means the public employment relations commission.
  - (6) "Executive director" means the executive director of the commission.
  - (7) "Uniformed personnel" means: (a) Law enforcement officers as defined in RCW 41.26.030 employed by the governing body of any city or town with a population of two thousand five hundred or more and law enforcement officers employed by the governing body of any county with a population of ten thousand or more; (b) correctional employees who are uniformed and nonuniformed, commissioned and noncommissioned security personnel employed in a jail as defined in RCW 70.48.020(5), by a county with a population of seventy thousand or more, and who are trained for and charged with the responsibility of controlling and maintaining custody of inmates in the jail and safeguarding inmates from other inmates; (c) general authority Washington peace officers as defined in RCW 10.93.020 employed by a port district in a county with a population of one million or more; (d) security forces established

- under RCW 43.52.520; (e) firefighters as that term is defined in RCW 1 2 41.26.030; (f) employees of a port district in a county with a population of one million or more whose duties include crash fire 3 rescue or other fire fighting duties; (g) employees of fire departments 4 5 of public employers who dispatch exclusively either fire or emergency medical services, or both; or (h) employees in the several classes of 6 7 advanced life support technicians, as defined in RCW 18.71.200, who are employed by a public employer. 8
  - (8) "Institution of higher education" means the University of Washington, Washington State University, Central Washington University, Eastern Washington University, Western Washington University, The Evergreen State College, and the various state community colleges.
- 13 (9) "Home care quality authority" means the authority under chapter 14 74.39A RCW.

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- 15 (10) "Individual provider" means an individual provider as defined 16 in RCW 74.39A.240(4) who, solely for the purposes of collective 17 bargaining, is a public employee as provided in RCW 74.39A.270.
- (11) "Child care subsidy" means a payment from the state through a child care subsidy program established pursuant to RCW 74.12.340 or 74.08A.340, 45 C.F.R. Sec. 98.1 through 98.17, or any successor program.
  - (12) "Family child care provider" means a person who: (a) Provides regularly scheduled care for a child or children in the home of the provider or in the home of the child or children for periods of less than twenty-four hours or, if necessary due to the nature of the parent's work, for periods equal to or greater than twenty-four hours; (b) receives child care subsidies; and (c) is either licensed by the state under RCW 74.15.030 or is exempt from licensing under chapter 74.15 RCW.
- 30 (13) "Adult family home provider" means a provider as defined in RCW 70.128.010 who receives payments from the medicaid and state-funded long-term care programs.
- 33 (14) "Child care center directors and workers" includes all
  34 employees of child care centers who work on-site at the centers.
  35 "Child care center directors and workers" also includes owners of child
  36 care centers.
- 37 (15)(a) "Child care center" means a child care center licensed by

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- the state under RCW 74.15.030 that has at least one child care slot filled by a child for whom it receives a child care subsidy.
  - (b) "Child care center" does not include a child care center:
  - (i) Operated directly by another unit of government or a tribe;
- (ii) Operated by an individual, partnership, profit or nonprofit
  corporation, or other entity that operates ten or more child care
  centers statewide; or
- (iii) Operated by a local nonprofit organization whose primary 8 mission is to provide social services, including serving children and 9 families, and that pays membership dues or assessments to either: (A) 10 A national organization, exempt from income tax under section 501(c)(3) 11 of the internal revenue code, with more than five million dollars in 12 13 membership dues and assessments annually, as reported to the internal 14 revenue service; or (B) a regional council that is affiliated with a national organization, exempt from income tax under section 501(c)(3) 15 of the internal revenue code, with more than two hundred affiliates. 16
  - Sec. 4. RCW 41.56.113 and 2007 c 184 s 3 are each amended to read as follows:
  - (1) Upon the written authorization of an individual provider, a family child care provider, or an adult family home provider within the bargaining unit and after the certification or recognition of the bargaining unit's exclusive bargaining representative, the state as payor, but not as the employer, shall, subject to subsection (3) of this section, deduct from the payments to an individual provider, a family child care provider, or an adult family home provider the monthly amount of dues as certified by the secretary of the exclusive bargaining representative and shall transmit the same to the treasurer of the exclusive bargaining representative.
  - (2) If the governor and the exclusive bargaining representative of a bargaining unit of individual providers, family child care providers, or adult family home providers enter into a collective bargaining agreement that:
- 33 (a) Includes a union security provision authorized in RCW 34 41.56.122, the state as payor, but not as the employer, shall, subject 35 to subsection (3) of this section, enforce the agreement by deducting 36 from the payments to bargaining unit members the dues required for

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membership in the exclusive bargaining representative, or, for nonmembers thereof, a fee equivalent to the dues; or

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- (b) Includes requirements for deductions of payments other than the deduction under (a) of this subsection, the state, as payor, but not as the employer, shall, subject to subsection (3) of this section, make such deductions upon written authorization of the individual provider, family child care provider, or adult family home provider.
- (3)(a) The initial additional costs to the state in making deductions from the payments to individual providers, family child care providers, and adult family home providers under this section shall be negotiated, agreed upon in advance, and reimbursed to the state by the exclusive bargaining representative.
- (b) The allocation of ongoing additional costs to the state in making deductions from the payments to individual providers, family child care providers, or adult family home providers under this section shall be an appropriate subject of collective bargaining between the exclusive bargaining representative and the governor unless prohibited by another statute. If no collective bargaining agreement containing a provision allocating the ongoing additional cost is entered into between the exclusive bargaining representative and the governor, or if the legislature does not approve funding for the collective bargaining agreement as provided in RCW 74.39A.300, 41.56.028, or 41.56.029, as applicable, the ongoing additional costs to the state in making deductions from the payments to individual providers, family child care providers, or adult family home providers under this section shall be negotiated, agreed upon in advance, and reimbursed to the state by the exclusive bargaining representative.
- (4) The governor and the exclusive bargaining representative of a bargaining unit of family child care providers may not enter into a collective bargaining agreement that contains a union security provision unless the agreement contains a process, to be administered by the exclusive bargaining representative of a bargaining unit of family child care providers, for hardship dispensation for license-exempt family child care providers who are also temporary assistance for needy families recipients or WorkFirst participants.
- (5) In lieu of the deductions authorized under subsections (1) and (2) of this section, and the union security provisions authorized under RCW 41.56.122, the governor and the exclusive representative of a

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- bargaining unit of child care center directors and workers shall agree 1 2 to a representation fee to be paid to the exclusive representative for the costs of representation of child care center directors and workers 3 as provided in this chapter. The state shall deduct the representation 4 fee from the monthly amount of the child care subsidy due to a child 5 care center and transmit the representation fee to the secretary of the 6 7 exclusive bargaining representative. Any child care center that is operated by a church or other religious body for which payment of a 8 representative fee is contrary to bona fide religious tenets shall pay 9 an amount equivalent to the representation fee to a nonreligious 10 charity or to another charitable organization mutually agreed upon by 11 12 the child care center and the exclusive representative to which the 13 center would otherwise pay the representation fee. The child care 14 center shall furnish written proof that such payment has been made. If the child care center and the exclusive representative do not reach 15 agreement on such matter, the commission shall designate the charitable 16 17 organization.
- 18 **Sec. 5.** RCW 41.04.810 and 2007 c 184 s 4 are each amended to read 19 as follows:
- Individual providers, as defined in RCW 74.39A.240, family child care providers, as defined in RCW 41.56.030, child care center directors and workers, as defined in RCW 41.56.030, and adult family home providers, as defined in RCW 41.56.030, are not employees of the state or any of its political subdivisions and are specifically and entirely excluded from all provisions of this title, except as provided in RCW 74.39A.270, 41.56.028, and 41.56.029.
- 27 **Sec. 6.** RCW 43.01.047 and 2007 c 184 s 5 are each amended to read as follows:
- 29 RCW 43.01.040 through 43.01.044 do not apply to individual providers under RCW 74.39A.220 through 74.39A.300, family child care providers under RCW 41.56.028, child care center directors and workers under RCW 41.56.028, or adult family home providers under RCW 41.56.029.
- NEW SECTION. Sec. 7. A new section is added to chapter 43.215 RCW to read as follows:

1 (1) Every child care center shall provide to the department a list 2 of the names and addresses of all current child care center directors 3 and workers, as defined in RCW 41.56.030, annually by January 30th, 4 except that initially the lists shall be provided within thirty days of 5 the effective date of this section.

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- (2) The department shall, upon request, provide to a labor organization seeking to organize child care center directors and workers, a list of all directors and workers in the unit that the organization seeks to organize. The list shall contain the information collected with regard to the directors and workers pursuant to subsection (1) of this section.
- 12 <u>NEW SECTION.</u> **Sec. 8.** A new section is added to chapter 74.08A RCW 13 to read as follows:
- The department shall adjust the rates of child care subsidies, as defined in RCW 41.56.030, paid to all child care centers to reflect the rate provisions in a collective bargaining agreement for child care center directors and workers negotiated under RCW 41.56.028 and funded by the legislature.
- 19 <u>NEW SECTION.</u> **Sec. 9.** A new section is added to chapter 74.12 RCW 20 to read as follows:
- 21 The department shall adjust the rates of child care subsidies, as 22 defined in RCW 41.56.030, paid to all child care centers to reflect the 23 rate provisions in a collective bargaining agreement for child care 24 center directors and workers negotiated under RCW 41.56.028 and funded 25 by the legislature.
- NEW SECTION. Sec. 10. (1) The Washington state institute for public policy shall study outcomes associated with granting collective bargaining rights to child care center directors and workers.
  - (2) The study shall, at a minimum, report whether:
  - (a) Standards for the child care profession have improved;
- 31 (b) Continuous quality improvement in the delivery of early 32 learning services has been achieved;
- 33 (c) Expanded opportunities for educational advancement for child 34 care center directors and workers, including degree and certificate 35 completion, are available; and

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- 1 (d) Wage and benefit progression for child care center directors 2 and workers has occurred.
- 3 (3) The results of the study shall be reported biennially, no later 4 than December 1st, beginning in 2009, to the governor and to 5 appropriate committees of the legislature.
- NEW SECTION. Sec. 11. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.
- 10 NEW SECTION. Sec. 12. If any part of this act is found to be in 11 conflict with federal requirements that are a prescribed condition to 12 the allocation of federal funds to the state, the conflicting part of this act is inoperative solely to the extent of the conflict and with 13 14 respect to the agencies directly affected, and this finding does not 15 affect the operation of the remainder of this act in its application to the agencies concerned. Rules adopted under this act must meet federal 16 17 requirements that are a necessary condition to the receipt of federal 18 funds by the state.
- NEW SECTION. Sec. 13. This act may be known and cited as the access to quality child care workforce act.
- NEW SECTION. Sec. 14. If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2008, in the omnibus appropriations act, this act is null and void.

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