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## Labor & Workplace Standards Committee

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### SB 6096

**Brief Description:** Preventing disruption of certain state-financed and procured services due to labor unrest within contracted service providers.

**Sponsors:** Senators Keiser, Stanford and Saldaña.

#### Brief Summary of Bill

- Requires that certain contracts between the Department of Social and Health Services and private contractors must contain assurances that the contracted services will not be disrupted or delayed by economic or industrial action.

**Hearing Date:** 2/25/20

**Staff:** Trudes Tango (786-7384).

#### Background:

Under the National Labor Relations Act, covered employees in the private sector have the right to organize, engage in collective bargaining, and take collective action if necessary. Sometimes, economic or industrial actions are taken by employees or employers during a labor dispute. Examples of economic and industrial actions include: (1) strikes; (2) lock-outs; (3) performing work in a manner different from how it is normally performed; or (4) restricting or delaying the performance of work.

The Department of Social and Health Services (Department) provides a wide range of services across various programmatic divisions. Services include adult care, juvenile justice services, disability support, mental health, and addiction services.

#### Summary of Bill:

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Any contract entered into or renewed by the Department with a private contractor for adult care, mental health, addiction, disability support, or youth services must contain an assurance that the contracted services will not be disrupted or delayed by economic or industrial action.

The assurances may be provided through an agreement between the contractor and any labor organization that represents, or seeks to represent, the employees of the contractor who perform the services.

The required assurances are satisfied by one or more of the following commitments from the contractor through the life of the contract:

- an agreement between the contractor and any exclusive representative labor organization representing the employees performing the contracted services that contains a provision prohibiting economic or industrial action on the part of all parties and includes a process for the resolution of disputes between them;
- an agreement between the contractor and any labor organization seeking to represent the employees performing the contracting services that includes a provision prohibiting the parties from causing, promoting, or encouraging economic, industrial, or other disruptive activity on the part of the contractor or employees, and includes a process for resolution of disputes between parties; or
- any other agreement or binding obligation providing equivalent assurances.

The assurances must be a condition of contracting with the Department and must be a binding provision of the contract. The assurances constitute a warranty to the Department on the part of the contractor.

Failure to maintain the assurances, such that services are interrupted, entitles the Department to terminate, suspend, or revoke the contract. Contracts awarded or renewed that require assurances must include a provision providing for reimbursement to the Department for actual costs to the Department arising from the inadequacy of the assurances.

In awarding a contract for services, the Department must take into consideration any prior disruptions in the provision of services by the contractor and whether the assurances provided by the contractor mitigates the risk of a reoccurrence of the disruptions.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.