## SENATE BILL 5415

State of Washington 69th Legislature 2025 Regular Session

By Senator Gildon

AN ACT Relating to financial feasibility of collective bargaining agreements; and amending RCW 41.56.028, 41.56.029, 41.56.473, 41.56.500, 41.56.510, 41.56.515, 41.59.105, 41.80.010, 47.64.170, 74.39A.300, and 74.39A.530.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 **Sec. 1.** RCW 41.56.028 and 2007 c 278 s 2 are each amended to 7 read as follows:

8 (1) In addition to the entities listed in RCW 41.56.020, this chapter applies to the governor with respect to family child care 9 10 providers. Solely for the purposes of collective bargaining and as 11 expressly limited under subsections (2) and (3) of this section, the 12 governor is the public employer of family child care providers who, 13 solely for the purposes of collective bargaining, are public employees. The public employer shall be represented for bargaining 14 15 purposes by the governor or the governor's designee appointed under 16 chapter 41.80 RCW.

17 (2) This chapter governs the collective bargaining relationship 18 between the governor and family child care providers, except as 19 follows: (a) A statewide unit of all family child care providers is the
 only unit appropriate for purposes of collective bargaining under RCW
 41.56.060.

4 (b) The exclusive bargaining representative of family child care 5 providers in the unit specified in (a) of this subsection shall be 6 the representative chosen in an election conducted pursuant to RCW 7 41.56.070, except that in the initial election conducted under 8 chapter 54, Laws of 2006, if more than one labor organization is on 9 the ballot and none of the choices receives a majority of the votes 10 cast, a runoff election shall be held.

(c) Notwithstanding the definition of "collective bargaining" in 11 12 RCW 41.56.030(4), the scope of collective bargaining for child care providers under this section shall be limited solely to: (i) Economic 13 compensation, such as manner and rate of subsidy and reimbursement, 14 including tiered reimbursements; (ii) health and welfare benefits; 15 16 (iii) professional development and training; (iv) labor-management 17 committees; (v) grievance procedures; and (vi) other economic matters. Retirement benefits shall not be subject to collective 18 bargaining. By such obligation neither party shall be compelled to 19 agree to a proposal or be required to make a concession unless 20 21 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, 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

30 (ii) The decision of the arbitration panel is not binding on the 31 legislature and, if the legislature does not approve the request for 32 funds necessary to implement the compensation and benefit provisions 33 of the arbitrated collective bargaining agreement, is not binding on 34 the state.

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(e) Family child care providers do not have the right to strike.

36 (3) Family child care providers who are public employees solely 37 for the purposes of collective bargaining under subsection (1) of 38 this section are not, for that reason, employees of the state for any 39 purpose. This section applies only to the governance of the 40 collective bargaining relationship between the employer and family

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1 child care providers as provided in subsections (1) and (2) of this 2 section.

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(4) This section does not create or modify:

4 (a) The parents' or legal guardians' right to choose and
5 terminate the services of any family child care provider that
6 provides care for their child or children;

7 (b) The secretary of the department of social and health 8 services' right to adopt requirements under RCW 74.15.030, except for 9 requirements related to grievance procedures and collective 10 negotiations on personnel matters as specified in subsection (2)(c) 11 of this section;

12 (c) Chapter 26.44 RCW, RCW 43.43.832, 43.20A.205, and 74.15.130; 13 and

14 (d) The legislature's right to make programmatic modifications to the delivery of state services through child care subsidy programs, 15 16 including standards of eligibility of parents, legal guardians, and 17 family child care providers participating in child care subsidy programs, and the nature of services provided. The governor shall not 18 19 enter into, extend, or renew any agreement under this section that does not expressly reserve the legislative rights described in this 20 21 subsection (4)(d).

(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 agreement entered into under this section or for legislation necessary to implement such agreement.

(6) A request for funds necessary to implement the compensation and benefit provisions of a collective bargaining agreement 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,
the request must be submitted by November 15, 2006; 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. 1 (7) (a) The director of the office of financial management shall 2 not certify as financially feasible any collective bargaining 3 agreement under subsection (6) (b) of this section if the governor's 4 budget document or any appendix to a budget or budget document 5 submitted under RCW 43.88.030 and 43.88.060 proposes to:

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<u>(i) Fund expenditures by raising taxes; or</u>

7 (ii) Withdraw and appropriate funds from the budget stabilization
8 account that requires a favorable vote of at least three-fifths of
9 the members of each house of the legislature.

10 (b) For purposes of this subsection, "raising taxes" means any 11 action or combination of actions by the state legislature that 12 increases state tax revenue deposited in any fund, budget, or 13 account, regardless of whether the revenues are deposited into the 14 general fund.

15 <u>(8)</u> The legislature must approve or reject the submission of the 16 request for funds as a whole. If the legislature rejects or fails to 17 act on the submission, any such agreement will be reopened solely for 18 the purpose of renegotiating the funds necessary to implement the 19 agreement.

20 (((8))) (9) The governor shall periodically consult with the 21 joint committee on employment relations established by RCW 41.80.010 22 regarding appropriations necessary to implement the compensation and 23 benefit provisions of any collective bargaining agreement and, upon 24 completion of negotiations, advise the committee on the elements of 25 the agreement and on any legislation necessary to implement such 26 agreement.

27 (((9))) (10) After the expiration date of any collective 28 bargaining agreement entered into under this section, all of the 29 terms and conditions specified in any such agreement remain in effect 30 until the effective date of a subsequent agreement, not to exceed one 31 year from the expiration date stated in the agreement, except as 32 provided in subsection (4)(d) of this section.

33 (((10))) (11) If, after the compensation and benefit provisions 34 of an agreement are approved by the legislature, a significant 35 revenue shortfall occurs resulting in reduced appropriations, as 36 declared by proclamation of the governor or by resolution of the 37 legislature, both parties shall immediately enter into collective 38 bargaining for a mutually agreed upon modification of the agreement.

39 ((((11)))) (12) In enacting this section, the legislature intends 40 to provide state action immunity under federal and state antitrust 1 laws for the joint activities of family child care providers and 2 their exclusive bargaining representative to the extent such 3 activities are authorized by this chapter.

4 Sec. 2. RCW 41.56.029 and 2007 c 184 s 1 are each amended to 5 read as follows:

(1) In addition to the entities listed in RCW 41.56.020, this 6 chapter applies to the governor with respect to adult family home 7 providers. Solely for the purposes of collective bargaining and as 8 expressly limited under subsections (2) and (3) of this section, the 9 10 governor is the public employer of adult family home providers who, solely for the purposes of collective bargaining, are public 11 employees. The public employer shall be represented for bargaining 12 13 purposes by the governor or the governor's designee.

14 (2) There shall be collective bargaining, as defined in RCW
15 41.56.030, between the governor and adult family home providers,
16 except as follows:

(a) A statewide unit of all adult family home providers is the
only unit appropriate for purposes of collective bargaining under RCW
41.56.060.

20 (b) The exclusive bargaining representative of adult family home 21 providers in the unit specified in (a) of this subsection shall be 22 the representative chosen in an election conducted pursuant to RCW 23 41.56.070.

Bargaining authorization cards furnished as the showing of interest in support of any representation petition or motion for intervention filed under this section shall be exempt from disclosure under chapter 42.56 RCW.

(c) Notwithstanding the definition of "collective bargaining" in 28 RCW 41.56.030(4), the scope of collective bargaining for adult family 29 30 home providers under this section shall be limited solely to: (i) 31 Economic compensation, such as manner and rate of subsidy and reimbursement, including tiered reimbursements; (ii) health and 32 welfare benefits; (iii) professional development and training; (iv) 33 34 labor-management committees; (v) grievance procedures; and (vi) other 35 economic matters. Retirement benefits shall not be subject to collective bargaining. By such obligation neither party shall be 36 37 compelled to agree to a proposal or be required to make a concession 38 unless otherwise provided in this chapter.

1 (d) In addition to the entities listed in the mediation and 2 interest arbitration provisions of RCW 41.56.430 through 41.56.470 3 and 41.56.480, the provisions apply to the governor or the governor's 4 designee and the exclusive bargaining representative of adult family 5 home providers, except that:

6 (i) In addition to the factors to be taken into consideration by 7 an interest arbitration panel under RCW 41.56.465, the panel shall 8 consider the financial ability of the state to pay for the 9 compensation and benefit provisions of a collective bargaining 10 agreement.

(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, the decision is not binding on the state.

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(e) Adult family home providers do not have the right to strike.

17 (3) Adult family home providers who are public employees solely 18 for the purposes of collective bargaining under subsection (1) of 19 this section are not, for that reason, employees of the state for any 20 other purpose. This section applies only to the governance of the 21 collective bargaining relationship between the employer and adult 22 family home providers as provided in subsections (1) and (2) of this 23 section.

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(4) This section does not create or modify:

25 (a) The department's authority to establish a plan of care for 26 each consumer or its core responsibility to manage long-term care services under chapter 70.128 RCW, including determination of the 27 level of care that each consumer is eligible to receive. However, at 28 the request of the exclusive bargaining representative, the governor 29 or the governor's designee appointed under chapter 41.80 RCW shall 30 31 engage in collective bargaining, as defined in RCW 41.56.030(4), with 32 the exclusive bargaining representative over how the department's core responsibility affects hours of work for adult family home 33 providers. This subsection shall not be interpreted to require 34 collective bargaining over an individual consumer's plan of care; 35

36 (b) The department's obligation to comply with the federal 37 medicaid statute and regulations and the terms of any community-based 38 waiver granted by the federal department of health and human services 39 and to ensure federal financial participation in the provision of the 40 services;

1 (c) The legislature's right to make programmatic modifications to the delivery of state services under chapter 70.128 RCW, including 2 3 standards of eligibility of consumers and adult family home providers participating in the programs under chapter 70.128 RCW, and the 4 nature of services provided. The governor shall not enter into, 5 6 extend, or renew any agreement under this chapter that does not 7 expressly reserve the legislative rights described in this subsection 8 (4)(c);

9 (d) The residents', parents', or legal guardians' right to choose 10 and terminate the services of any licensed adult family home 11 provider; and

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(e) RCW 43.43.832, 43.20A.205, or 74.15.130.

(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 agreement entered into under this section or for legislation necessary to implement the agreement.

(6) A request for funds necessary to implement the compensation and benefit provisions of a collective bargaining agreement entered into under this section shall not be submitted by the governor to the legislature unless the request has been:

(a) Submitted to the director of financial management by October
 1st prior to the legislative session at which the requests are to be
 considered; and

(b) Certified by the director of financial management as financially feasible for the state or reflective of a binding decision of an arbitration panel reached under subsection (2)(d) of this section.

31 (7) (a) The director of the office of financial management shall 32 not certify as financially feasible any collective bargaining 33 agreement under subsection (6) (b) of this section if the governor's 34 budget document or any appendix to a budget or budget document 35 submitted under RCW 43.88.030 and 43.88.060 proposes to:

36 (i) Fund expenditures by raising taxes; or

37 (ii) Withdraw and appropriate funds from the budget stabilization 38 account that requires a favorable vote of at least three-fifths of 39 the members of each house of the legislature. 1 (b) For purposes of this subsection, "raising taxes" means any 2 action or combination of actions by the state legislature that 3 increases state tax revenue deposited in any fund, budget, or 4 account, regardless of whether the revenues are deposited into the 5 general fund.

6 (8) The legislature must approve or reject the submission of the 7 request for funds as a whole. If the legislature rejects or fails to 8 act on the submission, any collective bargaining agreement must be 9 reopened for the sole purpose of renegotiating the funds necessary to 10 implement the agreement.

11 ((<del>(8)</del>)) <u>(9)</u> If, after the compensation and benefit provisions of 12 an agreement are approved by the legislature, a significant revenue 13 shortfall occurs resulting in reduced appropriations, as declared by 14 proclamation of the governor or by resolution of the legislature, 15 both parties shall immediately enter into collective bargaining for a 16 mutually agreed upon modification of the agreement.

17 ((<del>(9)</del>)) <u>(10)</u> After the expiration date of any collective 18 bargaining agreement entered into under this section, all of the 19 terms and conditions specified in the agreement remain in effect 20 until the effective date of a subsequent agreement, not to exceed one 21 year from the expiration date stated in the agreement.

(((10))) (11) In enacting this section, the legislature intends to provide state action immunity under federal and state antitrust laws for the joint activities of adult family home providers and their exclusive bargaining representative to the extent the activities are authorized by this chapter.

27 Sec. 3. RCW 41.56.473 and 2005 c 438 s 1 are each amended to 28 read as follows:

(1) In addition to the entities listed in RCW 41.56.020, this chapter applies to the state with respect to the officers of the Washington state patrol appointed under RCW 43.43.020, except that the state is prohibited from negotiating any matters relating to retirement benefits or health care benefits or other employee insurance benefits.

35 (2) For the purposes of negotiating wages, wage-related matters, 36 and nonwage matters, the state shall be represented by the governor 37 or the governor's designee who is appointed under chapter 41.80 RCW, 38 and costs of the negotiations under this section shall be reimbursed 39 as provided in RCW 41.80.140. 1 (3) The governor or the governor's designee shall consult with 2 the chief of the Washington state patrol regarding collective 3 bargaining.

4 (4) The negotiation of provisions pertaining to wages and wage-5 related matters in a collective bargaining agreement between the 6 state and the Washington state patrol officers is subject to the 7 following:

(a) The state's bargaining representative must periodically 8 consult with a subcommittee of the joint committee on employment 9 relations created in RCW 41.80.010((((5))) (6) which shall consist of 10 the four members appointed to the joint committee with leadership 11 12 positions in the senate and the house of representatives, and the chairs and ranking minority members of the senate transportation 13 committee and the house transportation committee, or their successor 14 15 committees. The subcommittee must be consulted regarding the 16 appropriations necessary to implement these provisions in a 17 collective bargaining agreement and, on completion of negotiations, must be advised on the elements of these provisions. 18

(b) Provisions that are entered into before the legislature approves the funds necessary to implement the provisions must be conditioned upon the legislature's subsequent approval of the funds.

(5) The governor shall submit a request for funds necessary to implement the wage and wage-related matters in the collective bargaining agreement or for legislation necessary to implement the agreement. Requests for funds necessary to implement the provisions of bargaining agreements may not be submitted to the legislature by the governor unless such requests:

(a) Have been submitted to the director of financial management
 by October 1st before the legislative session at which the requests
 are to be considered; and

(b) Have been certified by the director of financial management as being feasible financially for the state or reflects the decision of an arbitration panel reached under RCW 41.56.475.

34 <u>(6) (a) The director of the office of financial management shall</u> 35 <u>not certify as financially feasible any collective bargaining</u> 36 <u>agreement under subsection (5) (b) of this section if the governor's</u> 37 <u>budget document or any appendix to a budget or budget document</u> 38 <u>submitted under RCW 43.88.030 and 43.88.060 proposes to:</u>

39 (i) Fund expenditures by raising taxes; or

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(ii) Withdraw and appropriate funds from the budget stabilization
 account that requires a favorable vote of at least three-fifths of
 the members of each house of the legislature.

4 (b) For purposes of this subsection, "raising taxes" means any 5 action or combination of actions by the state legislature that 6 increases state tax revenue deposited in any fund, budget, or 7 account, regardless of whether the revenues are deposited into the 8 general fund.

9 Sec. 4. RCW 41.56.500 and 2017 3rd sp.s. c 13 s 817 are each 10 amended to read as follows:

(1) All collective bargaining agreements entered into between a school district employer and school district employees under this chapter after June 10, 2010, as well as bargaining agreements existing on June 10, 2010, but renewed or extended after June 10, 2010, shall be consistent with RCW 28A.657.050.

(2) All collective bargaining agreements entered into between a
 school district employer and school district employees under this
 chapter shall be consistent with RCW 28A.400.280 and 28A.400.350.

(3) Employee bargaining shall be initiated after July 1, 2018, 19 20 over the dollar amount to be contributed for school employee health benefits beginning January 1, 2020, on behalf of each employee for 21 22 health care benefits. Bargaining must subsequently be conducted in even-numbered years between the governor or governor's designee and 23 24 one coalition of all the exclusive bargaining representatives impacted by benefit purchasing with the school employees' benefits 25 board established in RCW 41.05.740, consistent with RCW 28A.400.280 26 27 and 28A.400.350. The coalition bargaining must follow the model initially established for state employees in RCW 41.80.020. 28

(4) (a) The governor shall submit a request for funds necessary to implement the collective bargaining agreement for the dollar amount to be expended for school employee health benefits, or for legislation necessary to implement the agreement. A request for funds shall not be submitted to the legislature by the governor unless such request:

35 ((<del>(a)</del>)) <u>(i)</u> Has been submitted to the director of the office of 36 financial management by October 1st prior to the legislative session 37 at which the request is to be considered; and

38 ((<del>(b)</del>)) <u>(ii)</u> Has been certified by the director of the office of 39 financial management as being feasible financially for the state.

1 (b) (i) The director of the office of financial management shall 2 not certify as financially feasible any collective bargaining 3 agreement under (a) (ii) of this subsection if the governor's budget 4 document or any appendix to a budget or budget document submitted 5 under RCW 43.88.030 and 43.88.060 proposes to:

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(A) Fund expenditures by raising taxes; or

7 (B) Withdraw and appropriate funds from the budget stabilization
 8 account that requires a favorable vote of at least three-fifths of
 9 the members of each house of the legislature.

10 <u>(ii) For purposes of this subsection, "raising taxes" means any</u> 11 <u>action or combination of actions by the state legislature that</u> 12 <u>increases state tax revenue deposited in any fund, budget, or</u> 13 <u>account, regardless of whether the revenues are deposited into the</u> 14 <u>general fund.</u>

15 (c) The legislature shall approve or reject the submission of the 16 request for funds. The legislature shall not consider a request for 17 funds unless the request is transmitted to the legislature as part of 18 the governor's budget document submitted under RCW 43.88.030 and 19 43.88.060.

(d) If the legislature rejects or fails to act on the submission, 20 21 either party may reopen all or part of the agreement. However, if the 22 director of the office of financial management does not certify a 23 request under this section as being feasible financially for the state, the parties shall enter into collective bargaining solely for 24 25 the purpose of reaching a mutually agreed upon modification of the 26 agreement necessary to address the absence of those requested funds. The legislature may act upon the health care benefit provisions of 27 28 the modified collective bargaining agreement if those provisions are agreed upon and submitted to the office of financial management and 29 legislative budget committees before final legislative action on the 30 31 biennial or supplemental operating budget. If the legislature rejects 32 or fails to act on the submission, either party may reopen all or part of the agreement. 33

34 Sec. 5. RCW 41.56.510 and 2020 c 289 s 2 are each amended to 35 read as follows:

(1) In addition to the entities listed in RCW 41.56.020, this chapter applies to the governor with respect to language access providers. Solely for the purposes of collective bargaining and as expressly limited under subsections (2) and (3) of this section, the 1 governor is the public employer of language access providers who,
2 solely for the purposes of collective bargaining, are public
3 employees. The governor or the governor's designee shall represent
4 the public employer for bargaining purposes.

5 (2) There shall be collective bargaining, as defined in RCW 6 41.56.030, between the governor and language access providers, except 7 as follows:

8 (a) The only units appropriate for purposes of collective 9 bargaining under RCW 41.56.060 are:

10 (i) A statewide unit for language access providers who provide 11 spoken language interpreter services for department of social and 12 health services appointments, department of children, youth, and 13 families appointments, or medicaid enrollee appointments;

14 (ii) A statewide unit for language access providers who provide 15 spoken language interpreter services for injured workers or crime 16 victims receiving benefits from the department of labor and 17 industries; and

(iii) A statewide unit for language access providers who provide spoken language interpreter services for any state agency through the department of enterprise services, excluding language access providers included in (a)(i) and (ii) of this subsection;

(b) The exclusive bargaining representative of language access providers in the unit specified in (a) of this subsection shall be the representative chosen in an election conducted pursuant to RCW 41.56.070.

Bargaining authorization cards furnished as the showing of interest in support of any representation petition or motion for intervention filed under this section are exempt from disclosure under chapter 42.56 RCW;

(c) Notwithstanding the definition of "collective bargaining" in 30 31 RCW 41.56.030(4), the scope of collective bargaining for language 32 access providers under this section is limited solely to: (i) Economic compensation, such as the manner and rate of payments, 33 including tiered payments; (ii) professional development and 34 training; (iii) labor-management committees; (iv) grievance 35 procedures; (v) health and welfare benefits; and (((vii) [(vi)])) 36 (vi) other economic matters. Retirement benefits are not subject to 37 collective bargaining. By such obligation neither party may be 38 39 compelled to agree to a proposal or be required to make a concession 40 unless otherwise provided in this chapter;

1 (d) In addition to the entities listed in the mediation and 2 interest arbitration provisions of RCW 41.56.430 through 41.56.470 3 and 41.56.480, the provisions apply to the governor or the governor's 4 designee and the exclusive bargaining representative of language 5 access providers, except that:

6 (i) In addition to the factors to be taken into consideration by 7 an interest arbitration panel under RCW 41.56.465, the panel shall 8 consider the financial ability of the state to pay for the 9 compensation and benefit provisions of a collective bargaining 10 agreement;

(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, the decision is not binding on the state;

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(e) Language access providers do not have the right to strike;

(f) If a single employee organization is the exclusive bargaining representative for two or more units, upon petition by the employee organization, the units may be consolidated into a single larger unit if the commission considers the larger unit to be appropriate. If consolidation is appropriate, the commission shall certify the employee organization as the exclusive bargaining representative of the new unit;

(g) If a single employee organization is the exclusive bargaining representative for two or more bargaining units, the governor and the employee organization may agree to negotiate a single collective bargaining agreement for all of the bargaining units that the employee organization represents.

(3) Language access providers 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 other purpose. This section applies only to the governance of the collective bargaining relationship between the employer and language access providers as provided in subsections (1) and (2) of this section.

36 (4) Each party with whom the department of social and health 37 services, the department of children, youth, and families, the 38 department of labor and industries, and the department of enterprise 39 services contracts for language access services and each of their 40 subcontractors shall provide to the respective department an accurate

list of language access providers, as defined in RCW 41.56.030, including their names, addresses, and other contact information, annually by January 30th, except that initially the lists must be provided within thirty days of July 1, 2018. The department shall, upon request, provide a list of all language access providers, including their names, addresses, and other contact information, to a labor union seeking to represent language access providers.

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(5) This section does not create or modify:

9 (a) The obligation of any state agency to comply with federal 10 statute and regulations; and

11 (b) The legislature's right to make programmatic modifications to 12 the delivery of state services under chapter 74.04 or 39.26 RCW or 13 Title 51 RCW. The governor may not enter into, extend, or renew any 14 agreement under this chapter that does not expressly reserve the 15 legislative rights described in this subsection.

16 (6) Upon meeting the requirements of subsection (7) of this 17 section, the governor must submit, as a part of the proposed biennial 18 or supplemental operating budget submitted to the legislature under 19 RCW 43.88.030, a request for funds necessary to implement the 20 compensation and benefit provisions of a collective bargaining 21 agreement entered into under this section or for legislation 22 necessary to implement the agreement.

(7) A request for funds necessary to implement the compensation and benefit provisions of a collective bargaining agreement entered into under this section may not be submitted by the governor to the legislature unless the request has been:

(a) Submitted to the director of financial management by October
1st prior to the legislative session at which the requests are to be
considered, except that, for initial negotiations under this section,
the request may not be submitted before July 1, 2011; and

31 (b) Certified by the director of financial management as 32 financially feasible for the state or reflective of a binding 33 decision of an arbitration panel reached under subsection (2)(d) of 34 this section.

(8) (a) The director of the office of financial management shall not certify as financially feasible any collective bargaining agreement under subsection (7) (b) of this section if the governor's budget document or any appendix to a budget or budget document submitted under RCW 43.88.030 and 43.88.060 proposes to:

40 (i) Fund expenditures by raising taxes; or

(ii) Withdraw and appropriate funds from the budget stabilization
 account that requires a favorable vote of at least three-fifths of
 the members of each house of the legislature.

4 (b) For purposes of this subsection, "raising taxes" means any 5 action or combination of actions by the state legislature that 6 increases state tax revenue deposited in any fund, budget, or 7 account, regardless of whether the revenues are deposited into the 8 general fund.

9 (9) The legislature must approve or reject the submission of the 10 request for funds as a whole. If the legislature rejects or fails to 11 act on the submission, any collective bargaining agreement must be 12 reopened for the sole purpose of renegotiating the funds necessary to 13 implement the agreement.

14 ((<del>(9)</del>)) <u>(10)</u> If, after the compensation and benefit provisions of 15 an agreement are approved by the legislature, a significant revenue 16 shortfall occurs resulting in reduced appropriations, as declared by 17 proclamation of the governor or by resolution of the legislature, 18 both parties shall immediately enter into collective bargaining for a 19 mutually agreed upon modification of the agreement.

20 (((10))) (11) After the expiration date of any collective 21 bargaining agreement entered into under this section, all of the 22 terms and conditions specified in the agreement remain in effect 23 until the effective date of a subsequent agreement, not to exceed one 24 year from the expiration date stated in the agreement.

25 ((<del>(11)</del>)) <u>(12)</u> In enacting this section, the legislature intends 26 to provide state action immunity under federal and state antitrust 27 laws for the joint activities of language access providers and their 28 exclusive bargaining representative to the extent the activities are 29 authorized by this chapter.

30 ((<del>(12)</del>)) <u>(13)</u> By December 1, 2020, the department of social and 31 health services, the department of children, youth, and families, the 32 department of labor and industries, the health care authority, and 33 the department of enterprise services must report to the legislature 34 on the following:

(a) Each agency's current process for procuring spoken language
 interpreters and whether the changes in chapter 253, Laws of 2018
 have been implemented;

38 (b) If chapter 253, Laws of 2018 has not been fully implemented 39 by an agency, the barriers to implementation the agency has

1 encountered and recommendations for removing the barriers to
2 implementation;

3 (c) The impacts of the changes to the bargaining units for 4 language access providers in chapter 253, Laws of 2018; and

5 (d) Recommendations on how to improve the procurement and 6 accessibility of language access providers.

7 Sec. 6. RCW 41.56.515 and 2020 c 298 s 2 are each amended to 8 read as follows:

9 (1) In addition to the entities listed in RCW 41.56.020, this 10 chapter applies to the state with respect to fish and wildlife 11 officers except the state may not negotiate any matters relating to 12 retirement benefits or health care benefits or other employee 13 insurance benefits.

14 (2) For the purposes of negotiating wages, wage-related matters, 15 and nonwage matters, the state shall be represented by the governor 16 or the governor's designee who is appointed under RCW 41.80.010, and 17 costs of the negotiations under this section shall be reimbursed as 18 provided in RCW 41.80.140.

19 (3) Fish and wildlife officers shall be excluded from the 20 coalition bargaining for a master agreement of all exclusive 21 bargaining representatives of fewer than five hundred employees under 22 chapter 41.80 RCW.

(4) The governor or the governor's designee shall consult withthe director of fish and wildlife regarding collective bargaining.

(5) The negotiation of provisions pertaining to wages and wagerelated matters in a collective bargaining agreement between the state and the bargaining representatives of the fish and wildlife officers is subject to the following:

(a) The state's bargaining representative must periodically consult with the committee of the joint committee on employment relations created in RCW 41.80.007 or any such successor committee for the joint committee on employment relations; and

(b) Provisions that are entered into before the legislature approves the funds necessary to implement the provisions are conditioned upon the legislature's subsequent approval of the funds.

36 (6) The governor shall submit a request for funds necessary to 37 implement the wage and wage-related matters in the collective 38 bargaining agreement or for legislation necessary to implement the 39 agreement. Requests for funds necessary to implement the provisions

1 of bargaining agreements may not be submitted to the legislature by 2 the governor unless such requests:

3 (a) Have been submitted to the director of financial management
4 by October 1st before the legislative session at which the requests
5 are to be considered; and

6 (b) Have been certified by the director of financial management 7 as being feasible financially for the state or reflects the decision 8 of an arbitration panel reached under RCW 41.56.475.

9 <u>(7) (a) The director of the office of financial management shall</u> 10 not certify as financially feasible any collective bargaining 11 agreement under subsection (6) (b) of this section if the governor's 12 budget document or any appendix to a budget or budget document 13 submitted under RCW 43.88.030 and 43.88.060 proposes to:

14 (i) Fund expenditures by raising taxes; or

15 (ii) Withdraw and appropriate funds from the budget stabilization 16 account that requires a favorable vote of at least three-fifths of 17 the members of each house of the legislature.

18 (b) For purposes of this subsection, "raising taxes" means any 19 action or combination of actions by the state legislature that 20 increases state tax revenue deposited in any fund, budget, or 21 account, regardless of whether the revenues are deposited into the 22 general fund.

23 Sec. 7. RCW 41.59.105 and 2017 3rd sp.s. c 13 s 818 are each 24 amended to read as follows:

(1) All collective bargaining agreements entered into between a
school district employer and school district employees under this
chapter after June 10, 2010, as well as bargaining agreements
existing on June 10, 2010, but renewed or extended after June 10,
2010, shall be consistent with RCW 28A.657.050.

30 (2) All collective bargaining agreements entered into between a
 31 school district employer and school district employees under this
 32 chapter shall be consistent with RCW 28A.400.280 and 28A.400.350.

(3) Employee bargaining shall be initiated after July 1, 2018, over the dollar amount to be contributed beginning January 1, 2020, on behalf of each employee for health care benefits. Bargaining must subsequently be conducted in even-numbered years between the governor or governor's designee and one coalition of all the exclusive bargaining representatives impacted by benefit purchasing with the school employees' benefits board established in RCW 41.05.740,

1 consistent with RCW 28A.400.280 and 28A.400.350. The coalition 2 bargaining must follow the model initially established for state 3 employees in RCW 41.80.020.

(4) (a) The governor shall submit a request for funds necessary to
implement the collective bargaining agreement for the dollar amount
to be expended for school employee health benefits, or for
legislation necessary to implement the agreement. A request for funds
shall not be submitted to the legislature by the governor unless such
request:

10 ((<del>(a)</del>)) <u>(i)</u> Has been submitted to the director of the office of 11 financial management by October 1st prior to the legislative session 12 at which the request is to be considered; and

13 ((<del>(b)</del>)) <u>(ii)</u> Has been certified by the director of the office of 14 financial management as being feasible financially for the state.

15 (b) (i) The director of the office of financial management shall 16 not certify as financially feasible any collective bargaining 17 agreement under (a) (ii) of this subsection if the governor's budget 18 document or any appendix to a budget or budget document submitted 19 under RCW 43.88.030 and 43.88.060 proposes to:

(A) Fund expenditures by raising taxes; or

20

21 <u>(B) Withdraw and appropriate funds from the budget stabilization</u> 22 <u>account that requires a favorable vote of at least three-fifths of</u> 23 <u>the members of each house of the legislature.</u>

24 (ii) For purposes of this subsection, "raising taxes" means any 25 action or combination of actions by the state legislature that 26 increases state tax revenue deposited in any fund, budget, or 27 account, regardless of whether the revenues are deposited into the 28 general fund.

29 (c) The legislature shall approve or reject the submission of the 30 request for funds. The legislature shall not consider a request for 31 funds unless the request is transmitted to the legislature as part of 32 the governor's budget document submitted under RCW 43.88.030 and 33 43.88.060.

<u>(d)</u> If the legislature rejects or fails to act on the submission, either party may reopen all or part of the agreement. However, if the director of the office of financial management does not certify a request under this section as being feasible financially for the state, the parties shall enter into collective bargaining solely for the purpose of reaching a mutually agreed upon modification of the agreement necessary to address the absence of those requested funds. 1 The legislature may act upon the health care benefit provisions of 2 the modified collective bargaining agreement if those provisions are 3 agreed upon and submitted to the office of financial management and 4 legislative budget committees before final legislative action on the 5 biennial or supplemental operating budget. If the legislature rejects 6 or fails to act on the submission, either party may reopen all or 7 part of the agreement.

8 **Sec. 8.** RCW 41.80.010 and 2022 c 297 s 951 are each amended to 9 read as follows:

10 (1) For the purpose of negotiating collective bargaining 11 agreements under this chapter, the employer shall be represented by 12 the governor or governor's designee, except as provided for 13 institutions of higher education in subsection (4) of this section.

(2) (a) (i) Except as otherwise provided, if an 14 exclusive 15 bargaining representative represents more than one bargaining unit, 16 the exclusive bargaining representative shall negotiate with each employer representative as designated in subsection (1) of this 17 18 section one master collective bargaining agreement on behalf of all the employees in bargaining units that the exclusive bargaining 19 20 representative represents.

(ii) For those exclusive bargaining representatives who represent 21 22 fewer than a total of five hundred employees each, negotiation shall be by a coalition of all those exclusive bargaining representatives. 23 24 The coalition shall bargain for a master collective bargaining 25 agreement covering all of the employees represented by the coalition. The governor's designee and the exclusive bargaining representative 26 representatives are authorized to enter into supplemental 27 or bargaining of agency-specific issues for inclusion in or as an 28 29 addendum to the master collective bargaining agreement, subject to 30 the parties' agreement regarding the issues and procedures for 31 supplemental bargaining. Exclusive bargaining representatives that represent employees covered under chapter 41.06 RCW and exclusive 32 bargaining representatives that represent employees exempt under 33 chapter 41.06 RCW shall constitute separate coalitions and must 34 negotiate separate master collective bargaining agreements. This 35 subsection does not prohibit cooperation and coordination of 36 bargaining between two or more exclusive bargaining representatives. 37

38 (b) This subsection does not apply to exclusive bargaining 39 representatives who represent employees of institutions of higher

education, except when the institution of higher education has elected to exercise its option under subsection (4) of this section to have its negotiations conducted by the governor or governor's designee under the procedures provided for general government agencies in subsections (1) through (3) of this section.

6 (c) If five hundred or more employees of an independent state 7 elected official listed in RCW 43.01.010 are organized in a 8 bargaining unit or bargaining units under RCW 41.80.070, the official 9 shall be consulted by the governor or the governor's designee before 10 any agreement is reached under (a) of this subsection concerning 11 supplemental bargaining of agency specific issues affecting the 12 employees in such bargaining unit.

13 (d) For assistant attorneys general, the governor or the 14 governor's designee and an exclusive bargaining representative shall 15 negotiate one master collective bargaining agreement.

16 (3) The governor shall submit a request for funds necessary to 17 implement the compensation and fringe benefit provisions in the 18 master collective bargaining agreement or for legislation necessary 19 to implement the agreement. Requests for funds necessary to implement 20 the provisions of bargaining agreements shall not be submitted to the 21 legislature by the governor unless such requests:

(a) Have been submitted to the director of the office of
financial management by October 1 prior to the legislative session at
which the requests are to be considered; and

(b) Have been certified by the director of the office of financial management as being feasible financially for the state.

27 The legislature shall approve or reject the submission of the 28 request for funds as a whole. The legislature shall not consider a request for funds to implement a collective bargaining agreement 29 unless the request is transmitted to the legislature as part of the 30 31 governor's budget document submitted under RCW 43.88.030 and 32 43.88.060. If the legislature rejects or fails to act on the submission, either party may reopen all or part of the agreement or 33 the exclusive bargaining representative may seek to implement the 34 procedures provided for in RCW 41.80.090. 35

36 (4)(a)(i) For the purpose of negotiating agreements for 37 institutions of higher education, the employer shall be the 38 respective governing board of each of the universities, colleges, or 39 community colleges or a designee chosen by the board to negotiate on 40 its behalf.

(ii) A governing board of a university or college may elect to
 have its negotiations conducted by the governor or governor's
 designee under the procedures provided for general government
 agencies in subsections (1) through (3) of this section, except that:

5 (A) The governor or the governor's designee and an exclusive 6 bargaining representative shall negotiate one master collective 7 bargaining agreement for all of the bargaining units of employees of 8 a university or college that the representative represents; or

9 (B) If the parties mutually agree, the governor or the governor's 10 designee and an exclusive bargaining representative shall negotiate 11 one master collective bargaining agreement for all of the bargaining 12 units of employees of more than one university or college that the 13 representative represents.

(iii) A governing board of a community college may elect to have its negotiations conducted by the governor or governor's designee under the procedures provided for general government agencies in subsections (1) through (3) of this section.

(b) Prior to entering into negotiations under this chapter, the institutions of higher education or their designees shall consult with the director of the office of financial management regarding financial and budgetary issues that are likely to arise in the impending negotiations.

23 (c)(i) In the case of bargaining agreements reached between institutions of higher education other than the University of 24 25 Washington and exclusive bargaining representatives agreed to under 26 the provisions of this chapter, if appropriations are necessary to implement the compensation and fringe benefit provisions of the 27 28 bargaining agreements, the governor shall submit a request for such funds to the legislature according to the provisions of subsection 29 (3) of this section, except as provided in (c)(iii) of this 30 31 subsection.

32 (ii) In the case of bargaining agreements reached between the 33 University of Washington and exclusive bargaining representatives agreed to under the provisions of this chapter, if appropriations are 34 necessary to implement the compensation and fringe benefit provisions 35 36 of a bargaining agreement, the governor shall submit a request for such funds to the legislature according to the provisions of 37 subsection (3) of this section, except as provided in this subsection 38 39 (4) (c) (ii) and as provided in (c) (iii) of this subsection.

1 (A) If appropriations of less than ten thousand dollars are 2 necessary to implement the provisions of a bargaining agreement, a 3 request for such funds shall not be submitted to the legislature by 4 the governor unless the request has been submitted to the director of 5 the office of financial management by October 1 prior to the 6 legislative session at which the request is to be considered.

7 (B) If appropriations of ten thousand dollars or more are 8 necessary to implement the provisions of a bargaining agreement, a 9 request for such funds shall not be submitted to the legislature by 10 the governor unless the request:

(I) Has been submitted to the director of the office of financial management by October 1 prior to the legislative session at which the request is to be considered; and

14 (II) Has been certified by the director of the office of 15 financial management as being feasible financially for the state.

16 (C) If the director of the office of financial management does 17 not certify a request under (c)(ii)(B) of this subsection as being feasible financially for the state, the parties shall enter into 18 19 collective bargaining solely for the purpose of reaching a mutually agreed upon modification of the agreement necessary to address the 20 absence of those requested funds. The legislature may act upon the 21 22 compensation and fringe benefit provisions of the modified collective 23 bargaining agreement if those provisions are agreed upon and submitted to the office of financial management and legislative 24 25 budget committees before final legislative action on the biennial or 26 supplemental operating budget by the sitting legislature.

27 (iii) In the case of a bargaining unit of employees of 28 institutions of higher education in which the exclusive bargaining representative is certified during or after the conclusion of a 29 legislative session, the legislature may act upon the compensation 30 31 and fringe benefit provisions of the unit's initial collective 32 bargaining agreement if those provisions are agreed upon and submitted to the office of financial management and legislative 33 34 budget committees before final legislative action on the biennial or supplemental operating budget by the sitting legislature. 35

36 (5) (a) The director of the office of financial management shall 37 not certify as financially feasible any collective bargaining 38 agreement under subsection (3) (b) or (4) (c) (ii) (B) (II) of this 39 section if the governor's budget document or any appendix to a budget 1 or budget document submitted under RCW 43.88.030 and 43.88.060
2 proposes to:

(i) Fund expenditures by raising taxes; or

3

4 (ii) Withdraw and appropriate funds from the budget stabilization
5 account that requires a favorable vote of at least three-fifths of
6 the members of each house of the legislature.

7 (b) For purposes of this subsection, "raising taxes" means any 8 action or combination of actions by the state legislature that 9 increases state tax revenue deposited in any fund, budget, or 10 account, regardless of whether the revenues are deposited into the 11 general fund.

12 <u>(6)</u> If, after the compensation and fringe benefit provisions of 13 an agreement are approved by the legislature, a significant revenue 14 shortfall occurs resulting in reduced appropriations, as declared by 15 proclamation of the governor or by resolution of the legislature, 16 both parties shall immediately enter into collective bargaining for a 17 mutually agreed upon modification of the agreement.

18 ((<del>(6)</del>)) <u>(7)</u> After the expiration date of a collective bargaining 19 agreement negotiated under this chapter, all of the terms and 20 conditions specified in the collective bargaining agreement remain in 21 effect until the effective date of a subsequently negotiated 22 agreement, not to exceed one year from the expiration date stated in 23 the agreement. Thereafter, the employer may unilaterally implement 24 according to law.

((<del>(7)</del>)) <u>(8)</u>(a) For the 2019-2021 fiscal biennium, the legislature may approve funding for a collective bargaining agreement negotiated by a higher education institution and the Washington federation of state employees and ratified by the exclusive bargaining representative before final legislative action on the omnibus appropriations act by the sitting legislature.

31 (b) Subsection (3)(a) and (b) of this section do not apply to 32 requests for funding made pursuant to this subsection.

33 (((8))) (9)(a) For the 2021-2023 fiscal biennium, the legislature 34 may approve funding for a collective bargaining agreement negotiated 35 by the governor or governor's designee and the Washington public 36 employees association community college coalition and the general 37 government agencies and ratified by the exclusive bargaining 38 representative before final legislative action on the omnibus 39 appropriations act by the sitting legislature. 1 (b) For the 2021-2023 fiscal biennium, the legislature may 2 approve funding for a collective bargaining agreement negotiated 3 between Highline Community College and the Washington public 4 employees association and ratified by the exclusive bargaining 5 representative before final legislative action on the omnibus 6 appropriations act by the sitting legislature.

7 (c) For the 2021-2023 fiscal biennium, the legislature may approve funding for collective bargaining agreements negotiated 8 between Eastern Washington University and bargaining units of the 9 10 Washington federation of state employees and the public school employees association, and between Yakima Valley College and the 11 12 Washington public employees association, and ratified by the exclusive bargaining representatives before final legislative action 13 on the omnibus appropriations act by the sitting legislature. 14

15 (d) Subsection (3) (a) and (b) of this section does not apply to 16 requests for funding made pursuant to this subsection.

17 Sec. 9. RCW 47.64.170 and 2015 3rd sp.s. c 1 s 305 are each 18 amended to read as follows:

(1) Any ferry employee organization certified as the bargaining representative shall be the exclusive representative of all ferry employees in the bargaining unit and shall represent all such employees fairly.

(2) A ferry employee organization or organizations and the governor may each designate any individual as its representative to engage in collective bargaining negotiations.

(3) Negotiating sessions, including strategy meetings of the
employer or employee organizations, mediation, and the deliberative
process of arbitrators are exempt from the provisions of chapter
42.30 RCW. Hearings conducted by arbitrators may be open to the
public by mutual consent of the parties.

31 (4) Terms of any collective bargaining agreement may be enforced 32 by civil action in Thurston county superior court upon the initiative 33 of either party.

34 (5) Ferry system employees or any employee organization shall not 35 negotiate or attempt to negotiate directly with anyone other than the 36 person who has been appointed or authorized a bargaining 37 representative for the purpose of bargaining with the ferry employees 38 or their representative.

1 (6) (a) Within ten working days after the first Monday in September of every odd-numbered year, the parties shall attempt to 2 agree on an interest arbitrator to be used if the parties are not 3 successful in negotiating a comprehensive collective bargaining 4 agreement. If the parties cannot agree on an arbitrator within the 5 6 ten-day period, either party may request a list of seven arbitrators from the federal mediation and conciliation service. The parties 7 shall select an interest arbitrator using the coin toss/alternate 8 strike method within thirty calendar days of receipt of the list. 9 10 Immediately upon selecting an interest arbitrator, the parties shall 11 cooperate to reserve dates with the arbitrator for potential arbitration between August 1st and September 15th of the following 12 even-numbered year. The parties shall also prepare a schedule of at 13 least five negotiation dates for the following year, absent 14 an agreement to the contrary. The parties shall execute a written 15 agreement before November 1st of each odd-numbered year setting forth 16 17 the name of the arbitrator and the dates reserved for bargaining and arbitration. This subsection (6)(a) imposes minimum obligations only 18 19 and is not intended to define or limit a party's full, good faith bargaining obligation under other sections of this chapter. 20

(b) The negotiation of a proposed collective bargaining agreement
 by representatives of the employer and a ferry employee organization
 shall commence on or about February 1st of every even-numbered year.

For negotiations covering the 2009-2011 24 (C) biennium and 25 subsequent biennia, the time periods specified in this section, and in RCW 47.64.210 and 47.64.300 through 47.64.320, must ensure 26 conclusion of all agreements on or before October 1st of the even-27 28 numbered year next preceding the biennial budget period during which the agreement should take effect. These time periods may only be 29 altered by mutual agreement of the parties in writing. Any such 30 31 agreement and any impasse procedures agreed to by the parties under RCW 47.64.200 must include an agreement regarding the new time 32 periods that will allow final resolution by negotiations or 33 arbitration by October 1st of each even-numbered year. 34

35 (7) It is the intent of this section that the collective 36 bargaining agreement or arbitrator's award shall commence on July 1st 37 of each odd-numbered year and shall terminate on June 30th of the 38 next odd-numbered year to coincide with the ensuing biennial budget 39 year, as defined by RCW 43.88.020(((-7))) (9), to the extent 40 practical. It is further the intent of this section that all

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1 collective bargaining agreements be concluded by October 1st of the even-numbered year before the commencement of the biennial budget 2 year during which the agreements are to be in effect. After the 3 expiration date of a collective bargaining agreement negotiated under 4 this chapter, except to the extent provided in subsection (11) of 5 6 this section and RCW 47.64.270(4), all of the terms and conditions specified in the collective bargaining agreement remain in effect 7 until the effective date of a subsequently negotiated agreement, not 8 to exceed one year from the expiration date stated in the agreement. 9 10 Thereafter, the employer may unilaterally implement according to law.

11 (8) The office of financial management shall conduct a salary 12 survey, for use in collective bargaining and arbitration.

(9) Except as provided in subsection (11) of this section:

13

The governor shall submit a request either for funds 14 (a) 15 implement the collective bargaining agreements necessarv to including, but not limited to, the compensation and fringe benefit 16 17 provisions or for legislation necessary to implement the agreement, 18 or both. Requests for funds necessary to implement the collective 19 bargaining agreements shall not be submitted to the legislature by the governor unless such requests: 20

(i) Have been submitted to the director of the office of financial management by October 1st before the legislative session at which the requests are to be considered; and

24 (ii) Have been certified by the director of the office of 25 financial management as being feasible financially for the state.

(b) The governor shall submit a request either for funds necessary to implement the arbitration awards or for legislation necessary to implement the arbitration awards, or both. Requests for funds necessary to implement the arbitration awards shall not be submitted to the legislature by the governor unless such requests:

31 (i) Have been submitted to the director of the office of 32 financial management by October 1st before the legislative session at 33 which the requests are to be considered; and

(ii) Have been certified by the director of the office offinancial management as being feasible financially for the state.

36 (c) (i) The director of the office of financial management shall 37 not certify as financially feasible any collective bargaining 38 agreement under (a) (ii) or (b) (ii) of this subsection if the 39 governor's budget document or any appendix to a budget or budget 40 document submitted under RCW 43.88.030 and 43.88.060 proposes to: (A) Fund expenditures by raising taxes; or
 (B) Withdraw and appropriate funds from the budget stabilization
 account that requires a favorable vote of at least three-fifths of
 the members of each house of the legislature.

5 <u>(ii) For purposes of this subsection, "raising taxes" means any</u> 6 <u>action or combination of actions by the state legislature that</u> 7 <u>increases state tax revenue deposited in any fund, budget, or</u> 8 <u>account, regardless of whether the revenues are deposited into the</u> 9 <u>general fund.</u>

(d) The legislature shall approve or reject the submission of the 10 request for funds necessary to implement the collective bargaining 11 12 agreements or arbitration awards as a whole for each agreement or award. The legislature shall not consider a request for funds to 13 implement a collective bargaining agreement or arbitration award 14 15 unless the request is transmitted to the legislature as part of the 16 governor's budget document submitted under RCW 43.88.030 and 17 43.88.060. If the legislature rejects or fails to act on the 18 submission, either party may reopen all or part of the agreement and 19 award or the exclusive bargaining representative may seek to implement the procedures provided for in RCW 47.64.210 and 47.64.300. 20

(10) If, after the compensation and fringe 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.

(11) (a) For the collective bargaining agreements negotiated for the 2011-2013 fiscal biennium, the legislature may consider a request for funds to implement a collective bargaining agreement even if the request for funds was not received by the office of financial management by October 1st and was not transmitted to the legislature as part of the governor's budget document submitted under RCW 43.88.030 and 43.88.060.

(b) For the 2013-2015 fiscal biennium, a collective bargaining agreement related to employee health care benefits negotiated between the employer and coalition pursuant to RCW 41.80.020(3) regarding the dollar amount expended on behalf of each employee must be a separate agreement for which the governor may request funds necessary to implement the agreement. The legislature may act upon a 2013-2015 collective bargaining agreement related to employee health care benefits if an agreement is reached and submitted to the office of financial management and legislative budget committees before final legislative action on the biennial or supplemental operating budget by the sitting legislature.

5 (c) For the collective bargaining agreements negotiated for the 6 2013-2015 fiscal biennium, the legislature may consider a request for 7 funds to implement a collective bargaining agreement reached after 8 October 1st after a determination of financial infeasibility by the 9 director of the office of financial management if the request for 10 funds is transmitted to the legislature as part of the governor's 11 budget document submitted under RCW 43.88.030 and 43.88.060.

12 Sec. 10. RCW 74.39A.300 and 2018 c 278 s 22 are each amended to 13 read as follows:

14 If the department contracts with any individual providers for 15 personal care services, funding will be determined in accordance with 16 the following process:

(1) Upon meeting the requirements of subsection (2) of this 17 18 section, the governor must submit, as a part of the proposed biennial or supplemental operating budget submitted to the legislature under 19 RCW 43.88.030, a request for funds necessary to administer in-home 20 21 care programs under this chapter and to implement the compensation 22 and fringe benefits provisions of a collective bargaining agreement entered into under RCW 74.39A.270 or for legislation necessary to 23 24 implement such agreement.

(2) A request for funds necessary to implement the compensation and fringe benefits provisions of a collective bargaining agreement entered into under RCW 74.39A.270 shall not be submitted by the governor to the legislature unless such request:

(a) Has been submitted to the director of financial management by
 October 1st prior to the legislative session at which the request is
 to be considered; and

32 (b) Has been certified by the director of financial management as 33 being feasible financially for the state or reflects the binding 34 decision of an arbitrator reached under RCW 74.39A.270(2)(c).

35 (3) (a) The director of the office of financial management shall 36 not certify as financially feasible any collective bargaining 37 agreement under subsection (2) (b) of this section if the governor's 38 budget document or any appendix to a budget or budget document 39 submitted under RCW 43.88.030 and 43.88.060 proposes to: (i) Fund expenditures by raising taxes; or
 (ii) Withdraw and appropriate funds from the budget stabilization
 account that requires a favorable vote of at least three-fifths of
 the members of each house of the legislature.

5 (b) For purposes of this subsection, "raising taxes" means any 6 action or combination of actions by the state legislature that 7 increases state tax revenue deposited in any fund, budget, or 8 account, regardless of whether the revenues are deposited into the 9 general fund.

10 <u>(4)</u> The legislature must approve or reject the submission of the 11 request for funds as a whole. If the legislature rejects or fails to 12 act on the submission, any such agreement will be reopened solely for 13 the purpose of renegotiating the funds necessary to implement the 14 agreement.

15 (((4))) (5) When any increase in individual provider wages or 16 benefits is negotiated or agreed to, no increase in wages or benefits 17 negotiated or agreed to under this chapter will take effect unless 18 and until, before its implementation, the department has determined 19 that the increase is consistent with federal law and federal 20 financial participation in the provision of services under Title XIX 21 of the federal social security act.

((<del>(5)</del>)) <u>(6)</u> 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 fringe benefits 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.

29 ((<del>(6)</del>)) <u>(7)</u> After the expiration date of any collective 30 bargaining agreement entered into under RCW 74.39A.270, all of the 31 terms and conditions specified in any such agreement remain in effect 32 until the effective date of a subsequent agreement, not to exceed one 33 year from the expiration date stated in the agreement, except as 34 provided in RCW 74.39A.270.

35 ((<del>(7)</del>)) <u>(8)</u> If, after the compensation and benefit provisions of 36 an agreement are approved by the legislature, a significant revenue 37 shortfall occurs resulting in reduced appropriations, as declared by 38 proclamation of the governor or by resolution of the legislature, 39 both parties shall immediately enter into collective bargaining for a 40 mutually agreed upon modification of the agreement.

1 Sec. 11. RCW 74.39A.530 and 2021 c 186 s 2 are each amended to 2 read as follows:

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14

15

If the department contracts with a consumer directed employer:

4 (1) In addition to overtime and compensable travel time set forth 5 in RCW 74.39A.525, the initial labor rates shall be paid as described 6 in the most recent collective bargaining agreement between the 7 governor and the service employees international union 775, plus the 8 hourly roll-up costs of any additional legally required benefits or 9 labor costs, until subsequent rates can be established in accordance 10 with this section.

(2) A rate-setting board is established which is comprised of the voting members and nonvoting members to evaluate and propose changes in the rates paid to the consumer directed employer.

(a) The following members shall be voting members:

(i) One representative from the governor's office;

16 (ii) One representative from the department;

17 (iii) One representative from each consumer directed employer; 18 and

(iv) One designee from the exclusive bargaining representative of individual providers or, in the absence of an exclusive bargaining representative, a designee from the consumer directed employer workforce chosen by the employees of the consumer directed employer.

23 (b) The following nine members of the board shall be nonvoting 24 advisory members:

(i) Four legislators, one member from each caucus of the house ofrepresentatives and the senate;

27 (ii) One representative from the state council on aging, 28 appointed by the governor;

(iii) One representative of an organization representing people with intellectual or developmental disabilities appointed by the governor;

32 (iv) One representative of an organization representing people 33 with physical disabilities appointed by the governor;

34 (v) One representative from the licensed home care agency 35 industry chosen by the state's largest association of home care 36 agencies that primarily serves state-funded clients; and

37 (vi) One home care worker chosen by the state's largest 38 organization of home care workers.

39 (c) The governor's appointments shall be made by April 1st in 40 even-numbered years.

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1 (3) When the board membership has four voting members listed in subsection (2)(a) of this section, each voting member shall have one 2 3 vote. When there are five voting members due to two consumer directed employer representatives, each voting member listed in subsection 4 (2) (a) of this section shall have two votes with the exception of the 5 6 consumer directed employer representatives who shall have one vote. Voting members cannot split their votes. A majority of the voting 7 members of the board constitutes a quorum for the transaction of 8 business and is necessary for any action taken by the board. 9

10 (4) Beginning in the year following the establishment of the 11 initial rate under subsection (1) of this section, and in every even-12 numbered year thereafter, the rate-setting board shall attempt to 13 determine a proposed labor rate, including a specific amount for 14 health benefits by considering the factors listed in RCW 41.56.465 15 (1) and (5). In addition, the rate-setting board shall attempt to 16 determine an administrative rate for the consumer directed employer.

17 In addition, the rate-setting board may take testimony and make a 18 recommendation regarding the administrative vendor rate for home care 19 agencies that serve medicaid clients.

20 (5) The department shall provide administrative support for the 21 board.

(a) At the commencement of the board's rate-setting activities, the voting members must first attempt to select an additional voting member, who will chair the rate-setting board and will cast a tiebreaking vote if the voting members identified in subsection (2) of this section are unable to pass by majority vote on the labor rate.

(b) On the first occasion that the voting members identified in subsection (2)(a) of this section fail to select a tie-breaking member by a majority vote, the chair member will be selected as follows:

31 (i) The voting member representing the governor's office shall 32 request a list of five qualified arbitrators, or six if there are two 33 consumer directed employers, from the federal mediation and 34 conciliation service.

35 (ii) If a majority of the voting members of the board cannot 36 agree on the selection of a neutral arbitrator from the list, the 37 representative from the consumer directed employer who first 38 contacted the department will strike a name from the list first. The 39 representative from the governor's office shall then strike a name 40 from the list, the designee from the exclusive bargaining

1 representative or, in the absence of an exclusive bargaining 2 representative, the designee from the consumer directed employer 3 workforce shall strike a name from the list, if there are two 4 consumer directed employers, the second representative will strike a 5 name from the list, and finally the representative from the 6 department shall strike a name from the list.

7 (iii) The name of the arbitrator remaining after the final strike8 shall be the chair member of the board.

9 (iv) If that person is not willing or available to be the chair 10 member, the second to last person remaining on the list shall be 11 asked to be the chair member. If the second to last person is not 12 willing or available, the third to last person shall be asked to be 13 the chair member. This process of selecting an arbitrator shall be 14 continued until a chair member of the board is appointed.

15 (c) On the next occasion that the voting members identified in 16 subsection (2)(a) of this section fail to select a chair member by a 17 majority vote, the chair member will be selected using the method 18 described in (b) of this subsection except that the order of board 19 members striking names from the list, described in (b)(ii) of this 20 subsection, shall be reversed.

(d) On each successive occasion that the voting members identified in subsection (2)(a) of this section fail to select a chair member by a majority vote, the order of voting members striking names from the list will continue to alternate between the order described in (b)(ii) and (c) of this subsection.

(6) If an agreement on a proposed labor rate, an administrative
rate, or both, is not reached by a majority of the voting members of
the rate-setting board prior to July 1st, then:

(a) The labor rate shall be determined by the vote of the chair
member, who was selected in accordance with subsections (2) and
(5) (a) of this section; and

32 (b) The administrative rate shall be determined by the 33 department.

34 (7) After the rates have been determined in accordance with 35 subsections (3) through (6) of this section, they shall be submitted 36 to the director of the office of financial management by October 1st 37 prior to the legislative session during which the requests are to be 38 considered for review. If the director of the office of financial 39 management certifies them as being feasible financially for the 40 state, the governor shall include a request for funds necessary to

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1 implement the proposed rates as part of the governor's budget 2 document submitted under RCW 43.88.030 and 43.88.060. The legislature 3 shall approve or reject the request for funds as a whole.

4 (8) (a) The director of the office of financial management shall
5 not certify as financially feasible any collective bargaining
6 agreement under subsection (7) of this section if the governor's
7 budget document or any appendix to a budget or budget document
8 submitted under RCW 43.88.030 and 43.88.060 proposes to:

9

(i) Fund expenditures by raising taxes; or

10 <u>(ii) Withdraw and appropriate funds from the budget stabilization</u> 11 <u>account that requires a favorable vote of at least three-fifths of</u> 12 <u>the members of each house of the legislature.</u>

13 (b) For purposes of this subsection, "raising taxes" means any 14 action or combination of actions by the state legislature that 15 increases state tax revenue deposited in any fund, budget, or 16 account, regardless of whether the revenues are deposited into the 17 general fund.

18 (9) If the legislature rejects the request under subsection (6) 19 of this section, the matter shall return to the rate-setting board 20 established under this section for further consideration. Until the 21 legislature approves a request for funds under this section, the 22 current labor rate shall stay in effect.

23 ((-(9))) (10) The labor rate approved by the legislature shall be an hourly rate paid to the consumer directed employer. The labor rate 24 25 shall be used exclusively for paying the wages, associated taxes, and 26 benefits of individual providers. The consumer directed employer 27 shall have full discretion to set wages and benefits for individual 28 providers, except as provided in: (a) Subsection (((10))) (11) of 29 this section; (b) any specific legislative appropriation requirement; or (c) a collective bargaining agreement, if applicable. 30

31 ((<del>(10)</del>)) <u>(11)</u> The labor rate shall include a specific hourly 32 amount that the consumer directed employer may use only for health 33 benefits for individual providers.

34 (((11))) (12) The department shall make a one-time transfer of 35 funds totaling the full amount of previously unclaimed paid time off 36 to the consumer directed employer, and shall transfer all associated 37 liabilities for payment of unclaimed paid time off to the consumer 38 directed employer. This amount shall be accounted for as a labor rate 39 payment. 1 ((<del>(12)</del>)) <u>(13)</u> The department shall have the authority to modify 2 the labor rate and the administrative rate between the rate-setting 3 board's rate-setting activities without convening the rate-setting 4 board or following the preceding rate-setting process, subject to the 5 following conditions:

6

(a) The department finds the changes to the rates necessary to:

7 (i) Recognize changes to the department's required expenditures 8 or the consumer directed employer's required costs associated with 9 changes to tax rates, required employer contributions, mileage rate 10 allowances, and utilization of overtime to comply with RCW 11 74.39A.525; or

(ii) Comply with a significant change in state or federal rule or law that would impact the consumer directed employer's ability to operate;

15 (b) Changes to the rates shall not exceed two percent of the 16 combined labor and administrative rates; and

17 (c) Any increase to the rates is contingent on appropriation of 18 adequate funds by the legislature.

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((<del>(13)</del>)) <u>(14)</u> For the purpose of this section:

20 (a) "Labor rate" is defined as that portion of the consumer 21 directed employer's hourly rate that is to be used by the consumer 22 directed employer to compensate its workers, including wages, 23 benefits, and any associated taxes.

(b) "Administrative rate" is defined as that portion of the consumer directed employer's hourly rate that is to be used by the consumer directed employer to perform its administrative duties including losses for bad debt, compensation for business and occupation taxes on the labor and administrative rates, and all other costs associated with operating as the consumer directed employer.

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