

HOUSE BILL REPORT

SSB 5357

As Reported By House Committee On:
Appropriations

Title: An act relating to employment benefits for employees under school service contracts.

Brief Description: Requiring contractors for school employment service contracts to provide health care and retirement benefits commensurate with those provided for classified employees performing similar services.

Sponsors: Senators Pelz, Sutherland, Jesernig, Snyder, Gaspard, Fraser, Moore and Quigley.

Brief History:

Reported by House Committee on:
Appropriations, April 3, 1993, DPA.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass as amended. Signed by 18 members: Representatives Locke, Chair; Valle, Vice Chair; Silver, Ranking Minority Member; Appelwick; Basich; Dellwo; Dorn; Dunshee; G. Fisher; Jacobsen; Lemmon; Linville; Peery; Rust; Sommers; Wang; Wineberry; and Wolfe.

Minority Report: Do not pass. Signed by 7 members: Representatives Carlson, Assistant Ranking Minority Member; Ballasiotes; Cooke; Sehlin; Sheahan; Stevens; and Talcott.

Staff: Barbara McLain (786-7153).

Background: School district and educational service district boards of directors have the authority to contract with an outside company for the provision of services. Over 20 districts contract for food services, more than a dozen contract for pupil transportation, and several contract for custodial and maintenance services. There are currently no requirements in statute regarding benefits provided by the contractor to the contract employees.

Summary of Amended Bill: When a school district or educational service district contracts for services previously performed by classified school employees, the contractor must provide health benefits for the contract employees that are similar to those provided to the school

employees who would otherwise do the work, but the health benefits are not required to be greater than those provided under the state Basic Health Plan.

Decisions by a district to enter into contracts for services can only be made after a feasibility study determining the potential costs and benefits that would result from the contract. The decision to contract must be reviewed and approved by the superintendent of public instruction, and is subject to any applicable collective bargaining requirements. The factors considered in the feasibility study are to be developed in consultation with representatives of the affected school employees.

These provisions apply only if the contract would be for services being performed as of the effective date of the bill by classified school employees. In addition, the provisions do not apply to temporary, non-ongoing, or non-recurring contracts, or to contracts for services previously performed by supervisory, professional, or technical personnel.

Amended Bill Compared to Substitute Bill: The contractor is required to provide health benefits similar to those provided to the school employees, but is not required to provide greater benefits than the Basic Health Plan. The original bill required the contractor to provide similar benefits to those provided to school employees. Contracts for services can only be made after the district conducts a feasibility study. These provisions apply only if the contract would be for services being performed as of the effective date of the bill by classified employees. The original bill applied to any contract entered into or renewed after the bill takes effect.

Fiscal Note: Available.

Effective Date of Amended Bill: Ninety days after adjournment of session in which bill is passed.

Testimony For: (Substitute Bill) Contracting out is an issue of perennial concern to classified school employees. State and higher education classified employees have statutory protections prohibiting contracting out, but school employees have no protections. Contractors are not necessarily small businesses, but frequently are large, multistate companies who buy equipment or have their main administration out-of-state rather than bolstering the local economy.

Testimony Against: (Substitute Bill) School districts are charged to do their job in the most efficient and effective

way possible -- to use taxpayer dollars with a primary focus on educating children. The bill could have the effect of eliminating the option of a district to use contracts. Districts currently contracting for transportation services run the risk of losing the contract, but having no recourse to provide in-house services because they have no buses.

Witnesses: Lynn McKinnon, Washington Public School Employees (pro); Dwayne Slate, Washington State School Directors' Association (con); Ray Louie, American Building Maintenance (con); and Dan Grazik, Seattle School District (con).