

HOUSE BILL REPORT

EHB 1777

As Amended by the Senate

Title: An act relating to implementing the collective bargaining agreement between the home care quality authority and individual home care providers.

Brief Description: Implementing the collective bargaining agreement between the home care quality authority and individual home care providers.

Sponsors: By Representatives Morrell, DeBolt, Cody, Benson, Sullivan, Woods, Pettigrew, McDonald, Wallace, Priest, Simpson, G., Roach, Grant, Hinkle, Santos, Jarrett, Hunt, Blake, Dunshee, Conway, Kirby, Hankins, Clibborn, Linville, Kagi, Kessler, Kenney, Schual-Berke, Darneille, Rockefeller, Wood, Lovick, Campbell, McDermott, Hudgins and Edwards.

Brief History:

Committee Activity:

Appropriations: 2/27/03, 3/12/03 [DP].

Floor Activity:

Passed House: 1/28/04, 57-40.

Senate Amended.

Passed Senate: 3/10/04, 97-0.

Brief Summary of Engrossed Bill

- Makes appropriations totaling \$45.8 million in state and federal funds, for the purposes of implementing the collective bargaining agreement between individual home care workers and the Home Care Quality Authority and for implementing Substitute House Bill 2933.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass. Signed by 19 members: Representatives Sommers, Chair; Fromhold, Vice Chair; Pearson, Assistant Ranking Minority Member; Alexander, Cody, Conway, DeBolt, Dunshee, Grant, Hunter, Kagi, Kenney, Kessler, Linville, McDonald, McIntire, Miloscia, Ruderman and Schual-Berke.

Minority Report: Do not pass. Signed by 6 members: Representatives Sehlin, Ranking Minority Member; Buck, Clements, Cox, Sump and Talcott.

Staff: Bernard Dean (786-7130).

Background:

The state contracts with agency and individual home care workers to provide long-term care services for elderly and disabled clients who are eligible for Medicaid through the Department of Social and Health Services' (DSHS) Aging and Adult Services and Developmental Disabilities programs. Home care workers provide DSHS clients with personal care assistance with various tasks such as toileting, bathing, dressing, ambulating, meal preparation, and household chores. Although these home care workers are paid by the state, they are not considered "state employees."

In November 2001, citizens enacted Initiative Measure No. 775 (I-775). The initiative provided individual home care workers with collective bargaining rights under the public employees' collective bargaining law. The measure also established the Home Care Quality Authority (HCQA) as an agency of state government to provide oversight of home care services and to function as the "employer" of approximately 26,000 individual home care workers solely for the purposes of collective bargaining. The initiative was specific to individual providers and did not include those home care workers employed by agency providers.

Under current law, the state pays these individual providers \$8.43 per hour; pays the employer share of social security, medicare, and unemployment insurance taxes; and for those workers with incomes below 200 percent of the federal poverty level, pays all but \$17 of the monthly premium for workers who choose to enroll in the state's Basic Health Plan (BHP).

Individual home care workers voted to unionize in August 2002, and they selected the Service Employees International Union (SEIU) as their statewide bargaining representative. In December 2002, SEIU and the Home Care Quality Authority agreed on a \$192.8 million contract that included raises, worker's compensation and expanded health care benefits for individual home care providers. This initial collective bargaining agreement for individual home care workers was rejected by the 2003 Legislature. While the agreement was rejected, both individual and agency home care workers received a \$0.75 per hour wage increase in the 2003-05 operating budget at a cost of \$67.7 million.

The SEIU and the HCQA have agreed on a renegotiated contract that includes raises, worker's compensation, and health care benefits through a Taft-Hartley trust for individual home care providers. "Taft-Hartley" benefit trusts are formed and operated according to the federal law originally called the Labor Management Relations Act of 1947. Taft-Hartley benefit trusts are typically formed through agreements between multiple collective bargaining units and employers. Pension benefits are most often provided by Taft-Hartley plans, but they also may provide health, occupational, unemployment, training and other benefit programs. The trusts must be governed by a

board of trustees with equal employee and employer representation. Collective bargaining agreements typically provide that employers contribute a specific amount to the trust fund for their bargaining unit employees, rather than provide the employees with specific benefits. The Taft-Hartley trustees then carry out the terms of the trust to provide members with benefits from the fund.

In accordance with I-775, the Governor must submit a request to the Legislature for funds and any legislative changes necessary to implement the collective bargaining agreement within 10 days of ratification. The Governor's 2004 supplemental operating budget proposal includes \$48.8 million in state and federal resources to implement the renegotiated collective bargaining agreement between the HCQA and the SEIU.

The Legislature may only approve or reject the submission of the request for funds as a whole. If the Legislature rejects or fails to act on the submission, the collective bargaining agreement would be reopened solely for the purpose of renegotiating the funds necessary to implement the agreement.

Summary of Engrossed Bill:

The bill makes appropriations totaling \$48.8 million to implement the collective bargaining agreement between the HCQA and the exclusive bargaining representative of individual providers, including:

- An appropriation of \$7,129,000 General Fund-State and \$6,918,000 General Fund-Federal to the DSHS to increase the wages of state-funded individual providers from \$8.43 per hour to \$8.93 per hour on October 1, 2005;
- an appropriation of \$10,604,000 General Fund-State and \$10,294,000 General Fund-Federal to the DSHS to provide contributions of up to \$400 per month for each state-funded individual provider for health insurance coverage pursuant to the terms of the collective bargaining agreement between the HCQA and the exclusive bargaining representative of individual providers;
- an appropriation of \$5,713,000 General Fund-State and \$5,543,000 General Fund-Federal to the DSHS to provide worker's compensation benefits to state-funded individual providers beginning October 1, 2004; and
- an appropriation of \$1,324,000 General Fund-State and \$1,284,000 General Fund-Federal for costs associated with administrative, labor, and employment relations costs determined by the collective bargaining agreement between the HCQA and the exclusive bargaining representative of individual providers.

EFFECT OF SENATE AMENDMENT(S):

The Senate striking amendment appropriates \$45.8 million in state and federal funds to implement the collective bargaining agreement between individual providers and the

Home Care Quality Authority and to implement Substitute House Bill 2933, which transfers responsibility for bargaining with individual providers from the Home Care Quality Authority to the Governor. Appropriations for the compensation-related provisions of the collective bargaining agreement are made to the Department of Social and Health Services' Children and Family Services, Aging and Adult Services, and Developmental Disabilities Programs. Appropriations for the administrative and employer relations costs of the collective bargaining agreement are made to the Home Care Quality Authority and to the Office of Financial Management.

Appropriation: \$24.8 million from General Fund-State and \$24.0 million from General Fund-Federal moneys.

Fiscal Note: Requested on January 29, 2004.

Effective Date: The bill takes effect July 1, 2004.

Testimony For: In order to value the people that are being cared for, we must value the care givers. This legislation will implement and fund the collective bargaining agreement between the home care workers and the Home Care Quality Authority.

The reason unions exist is to unite workers to raise their standards, wages, and benefits; improve working conditions; and to help workers get power and a voice. There is no greater injustice than the shameful level of wages and the complete lack of benefits being paid to our home care workers. The work home care workers perform is difficult and saves the state money by delaying entry into a more expensive residential setting, such as a nursing home.

Many seniors find it difficult to find someone to care for them due to the level of wages paid to home care workers. This bill will stabilize the workforce. The current rate of \$7.68 per hour does not come close to the living wage standard. Washington ranks 43rd in median hourly wage rates for individual providers when compared to the state's median hourly wage of \$13.33 per hour for this type of work.

We all want quality, compassionate care, and fair wages for home care workers will ensure that elderly and disabled people can live with dignity.

Testimony Against: None.

Testified: Representative Morrell, prime sponsor; Jim Lindley, Center for Independence; Julie Watts, Washington Association of Churches; Suzanne Dale Estey, King County Executive's Office; David Rolf, Janet Rodreiguez, and Randy Decker, Service Employees International Union; Katrinka Gentile, State Independent Living Council; Kathy Taylor and Benita Hyder, Office and Professional Employees International Union; Lauren Moughon, American Association of Retired Persons; Mindy

Schaffner and Stephanie Landaas, Home Care Quality Authority; Robbie Stern, Washington State Labor Council; Nick Federici, Washington State Association of Home Care Services; Kevin Glackey-Coley, Washington State Catholic Conference; Allen Morrow, Senior Citizens Lobby; Richard Dorsett, Washington Association of Area Agencies on Aging; and Patrick Farrell, Northwest Chapter of Paralyzed Veterans, and the Governor's Committee on Disability and Employment Issues.