

FINAL BILL REPORT

EHB 1777

C 278 L 04

Synopsis as Enacted

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.

House Committee on Appropriations
Senate Committee on Ways & Means

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 publicly funded services 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 DSHS, they are hired and fired by the client and are not considered "state employees."

In November 2001 the voters enacted Initiative Measure No. 775 (I-775). The initiative provides individual home care workers with collective bargaining rights under the Public Employees' Collective Bargaining Act. The measure also established the Home Care Quality Authority (HCQA) as an agency of state government to provide oversight of home care services and, solely for the purposes of collective bargaining, to function as the "employer" of approximately 25,000 individual home care workers. The initiative specifically applies to individual providers and does not include those home care workers employed by agency providers.

In August 2002 individual home care workers voted to unionize. Subsequently, in January 2003, an initial \$192.8 million collective bargaining agreement that included raises, workers' compensation coverage, and expanded health care benefits for individual home care workers was submitted to the Legislature. This contract for individual home care workers was rejected by the 2003 Legislature in the 2003-05 Operating Budget. Although, the agreement was rejected, both individual and agency home care workers received a \$0.75 per hour wage increase in the budget at a cost of \$67.7 million.

In accordance with the 2003-05 Operating Budget enacted by the 2003 Legislature, the state pays these individual home care workers \$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).

The HCQA and the exclusive bargaining representative of individual home care providers have agreed on a renegotiated contract that increases the wages of individual home care workers from \$8.43 per hour to \$8.93 per hour on October 1, 2004; provides worker's compensation benefits effective October 1, 2004; and provides contributions of \$400 per month for health care benefits through a Taft-Hartley trust for eligible individual home care providers, effective January 1, 2005.

"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 exclusive bargaining representative of individual home care workers.

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:

A total of \$44,367,000 in state and federal funds is appropriated to the Department of Social and Health Services' (DSHS) Children and Family Services, Developmental Disabilities, and Aging and Adult Services Programs to implement the compensation-related provisions of the collective bargaining agreement between the Home Care Quality Authority and the exclusive bargaining representative of individual providers of home care services.

A total of \$1,370,000 in state funds is appropriated to the Home Care Quality Authority for administrative and employer relations costs associated with implementing the terms of the collective bargaining agreement.

A total of \$65,000 in state funds is appropriated to the Office of Financial Management for administrative and employer relations costs associated with implementing Substitute House

Bill 2933, which transfers responsibility for bargaining with individual home care workers from the Home Care Quality Authority to the Governor.

Votes on Final Passage:

House	57	40	
Senate	47	0	(Senate amended)
House	95	0	(House concurred)

Effective: April 1, 2004