

# HOUSE BILL REPORT

## ESHB 2986

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### As Passed Legislature

**Title:** An act relating to requiring the appointment of nonvoting labor members to public transportation governing bodies.

**Brief Description:** Requiring the appointment of nonvoting labor members to public transportation governing bodies.

**Sponsors:** House Committee on Local Government & Housing (originally sponsored by Representatives Simpson, Upthegrove, Campbell, Carlyle, Lias, Driscoll, Williams, Ormsby, Sullivan, Nelson, Sells, Appleton, Chase, Seaquist, Ericks, Goodman, Morrell, Green, Dickerson, Hudgins, Van De Wege, White, Maxwell, Miloscia, Conway, Moeller, Jacks, Hurst, Kenney and Hasegawa).

#### **Brief History:**

##### **Committee Activity:**

Local Government & Housing: 1/25/10, 1/27/10 [DPS].

##### **Floor Activity:**

Passed House: 2/13/10, 66-29.

Senate Amended.

Passed Senate: 3/3/10, 28-19.

House Concurred.

Passed House: 3/6/10, 63-32.

Passed Legislature.

#### **Brief Summary of Engrossed Substitute Bill**

- Requires that specified categories of public transportation systems must include in their governing bodies a nonvoting member recommended by the labor organization representing the majority of the system's employees.

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### HOUSE COMMITTEE ON LOCAL GOVERNMENT & HOUSING

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Simpson, Chair; Nelson, Vice Chair; Angel, Ranking Minority Member; DeBolt, Assistant Ranking Minority Member; Miloscia, Springer, Upthegrove, White and Williams.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Minority Report:** Do not pass. Signed by 2 members: Representatives Fagan and Short.

**Staff:** Thamas Osborn (786-7129).

**Background:**

Metropolitan Transit Commission.

State law authorizes two or more cities to create a "metropolitan municipal corporation" for the purpose of providing essential services to the residents of the metropolitan area encompassed by the participating cities. The creation of a metropolitan municipal corporation requires voter approval, and the functions, authority, and governance of the corporation are subject to specified statutory requirements. The corporation is governed by an appointed body known as the "metropolitan municipal council" (council).

A metropolitan municipal corporation is authorized to provide regional transportation services through the creation of a "metropolitan transit commission" (MTC). An MTC may be granted the authority to construct, own, and operate a regional transportation system in accordance with specified requirements.

An MTC is governed by a commission consisting of seven voting members, six of whom are appointed by the council. The six appointed commissioners must meet specified criteria as a prerequisite to holding office. The seventh member is the chair of the council and acts as the ex officio chair of the MTC. Commissioners serve four-year terms and receive compensation as determined by the council.

A county that establishes a metropolitan municipal corporation for the provision of essential county services is not required to establish an MTC as the governing body of the county transit system. In such instances, the governing body of the county itself serves as the governing body of the transit system.

County Transportation Authority.

The legislative body of a county is authorized to create a "county transportation authority" (CTA) to provide transportation services to a county and the cities located therein. A CTA may be granted the authority to construct, own, and operate a county-wide transportation system in accordance with specified requirements. A CTA is managed by a six-member governing body consisting of elected officials from the county and cities within the county and who are appointed in accordance with specified criteria.

Public Transportation Benefit Area.

A "public transportation benefit area" (PTBA) is a type of municipal corporation created to provide regional transportation service to all or a portion of a county or multiple counties. It is authorized to construct, own, and operate a regional transportation system within its jurisdictional boundaries in accordance with specified statutory requirements. The creation of a PTBA requires the convening of a "public transportation improvement conference" attended by an elected official from each city and county falling within the jurisdiction of the proposed PTBA. The governance of a PTBA is provided by a governing body consisting of not more than nine (or 15 if the PTBA is multi-county) elected officials from the governments of the cities and counties participating in the PTBA.

### **Summary of Engrossed Substitute Bill:**

A public transportation system owned or operated by specified categories of public transportation entities must include in its governing body a nonvoting member recommended by the labor organization representing the majority of its employees. This requirement is applicable to governing bodies of the public transportation systems of the following types:

- a metropolitan transit commission;
- a county transportation authority; and
- a public transportation benefit area.

The governing body of the public transportation system must exclude the nonvoting labor representative member from attending any portion of an executive session held for the purpose of discussing negotiations with labor organizations. The chair or co-chair may exclude the nonvoting member from attending any other executive session. Such member must comply with all bylaws and policies of the governing body of the transit entity to which he or she is appointed.

A public transportation benefit area authority is exempt from the requirement that a nonvoting member be appointed to its governing body if the authority has no employees represented by a labor union.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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

### **Staff Summary of Public Testimony:**

(In support) This legislation generally applies to appointed public transit boards and would require the appointment to such boards of a member representing the employees of the transit system. The employee representative would not have the power to vote, but would provide an important voice on such boards. The employee member would be able to provide the board with information and perspectives that can only be provided by those who actually conduct the day-to-day operations of the transit system. Employees are the most knowledgeable regarding how a transit system works and what would best serve the needs of the public. The expertise and knowledge of such a board member would enable the board to make better decisions and manage transit systems more efficiently. It is the employees who truly understand what the problems are and are most familiar with crucial safety issues. Currently, transit boards and management make decisions without complete knowledge of the facts on the ground. Employees would provide that knowledge. In addition, employees currently have no advisory role with respect to long-term transit planning and this has led to poor planning decisions by the management of some transit agencies.

The bill would improve communication between workers and management, and would facilitate a more productive working relationship between them. This bill simply makes sense, because the knowledge and expertise of workers should play a role in board decision-

making. Any concerns about board confidentiality regarding sensitive labor issues is misplaced. The bill contains safeguards to ensure that boards can deal with union matters or other issues between workers and managers without the presence of the employee board member. Specifically, the bill provides that the employee board member may be excluded from executive sessions or any portion of a meeting in which labor relations are discussed.

(Opposed) This legislation is misguided and unnecessary. Employees and union members currently have ample opportunity to provide boards with the benefit of their knowledge and expertise. In fact, transit agency management routinely seeks the input of employees with respect to important issues and decisions. Many transit agencies already have special committees in place in order to obtain information from transit workers. And, generally, unions are given ample opportunity to be heard by management. The bill does not serve the best interests of labor or management and, if passed, could damage the relationship between the two. Furthermore, labor is just one special interest group among many that could insist on board membership. Why should labor representatives receive special treatment when ordinary citizens and transit customers do not? Furthermore, the bill favors the larger unions and will not provide a voice for the ordinary worker.

**Persons Testifying:** (In support) Representative Simpson, prime sponsor; Karen Stites, Roy Jennings, and Michele Gill, Amalgamated Transit Union Legislative Council; and Jeff Johnson, Washington State Labor Council.

(Opposed) Geri Beardsley, Washington State Transit Association; and Tim Russ, Pacific Transit.

**Persons Signed In To Testify But Not Testifying:** None.