

# HOUSE BILL REPORT

## SB 5233

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### As Reported by House Committee On: Labor & Workplace Standards

**Title:** An act relating to creating an alternative process for sick leave benefits for workers represented by collective bargaining agreements.

**Brief Description:** Creating an alternative process for sick leave benefits for workers represented by collective bargaining agreements.

**Sponsors:** Senators Keiser and Conway.

#### **Brief History:**

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

Labor & Workplace Standards: 3/18/19, 3/21/19 [DPA].

#### **Brief Summary of Bill (As Amended by Committee)**

- Exempts construction workers covered by a collective bargaining agreement (CBA) from paid sick leave requirements if the CBA meets certain criteria, including providing sick leave benefits equivalent to those under state law.

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### HOUSE COMMITTEE ON LABOR & WORKPLACE STANDARDS

**Majority Report:** Do pass as amended. Signed by 7 members: Representatives Sells, Chair; Chapman, Vice Chair; Mosbrucker, Ranking Minority Member; Chandler, Assistant Ranking Minority Member; Gregerson, Hoff and Ormsby.

**Staff:** Lily Smith (786-7175).

#### **Background:**

##### Paid Sick Leave Requirements.

Initiative 1433 (Initiative) was adopted by a vote of the people in 2016. The Initiative included provisions raising the minimum wage and a new requirement for an employer to provide to each of its employees paid sick leave.

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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.*

An employee may use paid sick leave for the following reasons:

- for oneself, or to care for a family member, due to: a mental or physical illness, injury, or health condition; the need for medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; or a need for preventative medical care;
- when the employee's workplace or child's school or place of care has been closed by a public official for any health-related reason; and
- for absences that qualify for leave under the Domestic Violence Leave Act.

Among other requirements, each employee accrues at least 1 hour of paid sick leave for every 40 hours worked and is entitled to use the leave beginning on the ninetieth day after starting employment. Unused paid sick leave carries over to the following year, but the amount carried over may be limited to 40 hours.

The Department of Labor and Industries (L&I) has adopted rules implementing the paid sick leave requirements.

#### Approved Referral Union Program.

Unemployment insurance law requires individuals who receive unemployment benefits to actively look for work using customary trade practices. In some trades, labor unions refer members to job openings.

The Employment Security Department (ESD) approves unions that meet certain criteria under the referral union program. An individual that is a member of an approved union under the program and that meets certain requirements set by the ESD satisfies the job search requirements for unemployment insurance purposes.

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#### **Summary of Amended Bill:**

Paid sick leave requirements do not apply to construction workers covered by a collective bargaining agreement (CBA) if:

- the union signatory to the CBA is an approved referral union program;
- the CBA provides for sick leave benefits that are equivalent to those provided under state law; and
- the CBA expressly waives the paid sick leave requirements.

Equivalent sick leave must meet the requirements in state law, except that the payment of leave may occur before usage.

#### **Amended Bill Compared to Original Bill:**

The exemption is narrowed to apply only to construction workers.

The standard for sick leave benefits in a CBA under the exemption is changed from meeting or exceeding those provided in state law, to being equivalent to those in state law. Equivalent sick leave benefits are specified to be those that meet the requirements in state law, except

that the payment of leave may occur before usage. References to the act are added to the existing requirements.

The requirement to submit collective bargaining agreements under the exemption to the L&I is removed.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Amended Bill:** 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 would provide the bargaining parts of the construction trade with much-needed benefits. The Initiative created good policy, but it does not apply well to the construction trade. Construction often involves temporary employment, creating issues with the timing requirements of the current law. It is very cumbersome for employers to administer the current law, and workers should be able to have these benefits without contractors having to deal with the paperwork burdens of tracking former workers.

(Opposed) None.

(Other) There are some technical issues with the current structure of the bill. The L&I does not need to receive copies of the bargaining agreements under the exemption. It would be helpful for the L&I to have more direction in the bill on how to determine whether benefits are equivalent.

**Persons Testifying:** (In support) Mark Riker, Washington State Building and Construction Trade Council; and Michael Transue, Mechanical Contractors Association of Western Washington.

(Other) Tammy Fellin, Department of Labor and Industries.

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