



Legislative UPDATE

A weekly report from the Washington State Labor Council, AFL-CIO



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Will big employers get off the hook?

As we enter the final two weeks of the 2007 session, the Democrats who control the Governor's Office and Legislature can make a case that they have taken significant steps to address the health care crisis in Washington state. The first piece of legislation that Gov. Chris Gregoire signed into law this session boosted children's health coverage. A number of slots will be added to the state's Basic Health Plan (though not as many as we would have liked). And steps are being taken to implement some of the recommendations of the Governor's Blue Ribbon Panel on Health Care.

However, one critical component so far has been ignored: certain large employers' deliberate health-care cost-shifting onto taxpayers. There is plenty of evidence that some large employers are gaining an unfair competitive advantage over their competitors who offer affordable health benefits by deliberately shifting their health-insurance responsibilities onto taxpayers. This practice is accelerating the erosion of health benefits and needs to be discouraged.

Lawmakers still have an opportunity to take action in 2007 on this issue. Discouraging large employers' cost-shifting by sending these employers a bill for their workers on taxpayer-subsidized health plans is a popular idea whose time has come. That's what the Washington Taxpayer Healthcare Fairness Act (HB 2094) would do. Although the bill has missed a cutoff deadline, it has had a public hearing and can be implemented as part of the budget process.

Gov. Gregoire and Democratic leaders of both houses have acknowledged that large employers' cost-shifting is a contributing factor in the erosion of health coverage in Washington state. Last week, more than 2,500 emails were sent to these leaders and other legislators reminding them that this problem hasn't gone away and needs to be addressed.

The Washington State Labor Council urges lawmakers not to let large employers off the hook, and to pass HB 2094 and adopt budget language that implements the Taxpayer Healthcare Fairness Act.

Restore, approve Family Leave Insurance

As you probably heard last week, the Family and Medical Leave Insurance bill (SB 5659) was amended by the House Appropriations Committee into a title-only bill. That means that

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everything was stripped from the bill except its intent language, in hopes that an agreement can be reached that will enable the bill to get a floor vote in the House.

Before it was stripped, SB 5659 passed the Senate 32-17 and the House Commerce and Labor Committee. As approved, it would provide all Washington workers with partial pay for up to five weeks at a stipend of \$250 a week (pro-rated for part-timers) when they must deal with a serious illness for a family member, including domestic partners, or the birth or adoption of a child. The insurance program would be financed by a 2-cents-an-hour payroll deduction on workers. So, for a premium of between \$20 and \$40 a year, all workers would have FMLI coverage, and the security of knowing they can afford to take some time off work when they have a family health emergency or when they welcome a new child into their family.

There are already clear poll results that demonstrate strong support for this measure and the preference among voters that it be addressed in Olympia, not on the ballot. The WSLC continues to urge lawmakers to show leadership on this issue by approving the original SB 5659 language.

"Agency fee" bill is ready for Senate vote

HB 2079 clarifies the "agency fee" rules that apply to accounting for union political activities. The bill has been deliberately mischaracterized by people and groups that oppose labor unions. They have said it would allow agency-shop fees to be used for political purposes. That is simply not true. HB 2079 just clarifies existing statutes by saying that agency fees are not considered used for political purposes when sufficient funds exist in the union's general treasury to cover the expenditure.

The bill has been approved by the House and could get a

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Senate floor vote at any time. The WSLC urges all State Senators to support this important bill.

Dreaded Friday the 13th cutoff looms

Quite a few important labor-supported bills have been voted upon in the past week, and quite a few more still need votes before this Friday's cutoff deadline. Friday (the 13th!) is the last day for non-budget bills to pass the opposite house. Sunday, April 22 is scheduled to be the last day of the session. Here's a status report on some of the WSLC-supported bills:

SB 5373 (Sponsor: Kohl-Welles) — This bill addresses employer **Unemployment Insurance fraud and excess socialized costs**. It would also close the Professional Employee Organization loophole by requiring their clients to maintain their own UI experience ratings.

SB 5373 passed the Senate 36-11, and on Friday it passed the House 64-30. It now heads to the Governor's desk.

SB 5659 (Keiser) — **Family and Medical Leave Insurance** granting all Washington workers up to five weeks of paid leave at a stipend of \$250 a week (pro-rated for part-timers) when they must deal with a serious illness for a family member, including domestic partners, or the birth or adoption of a child. The insurance program would be financed by a 2-cents-an-hour payroll deduction on workers, or about \$40 a year.

SB 5659 passed the Senate 32-17 and House Commerce & Labor, but was amended in Appropriations into a title-only bill. It is now in House Rules and needs a floor vote by this Friday to survive. (See story above for more details.)

SB 5675 (Franklin) — **Increasing minimum benefits paid to injured workers** to the same standard used in the Unemployment Insurance system, which is 15% of the state's average monthly wage but no greater than 100% of the injured workers' wages. Minimum benefits were last increased in 1969.

ESB 5675 passed the Senate 37-8, and on Friday it passed the House 68-29. It now heads to the Governor's desk.

SB 5676 (Keiser) — Disallows an employer from forcing workers to take their sick leave when they are "**kept on salary**" for purposes of workers' compensation. "Kept on salary" status allows employers a premium break since no time-loss payments are recorded, and therefore the employer should pay the worker's full salary not some portion of it.

ESB 5676 passed the Senate 31-15 and passed from House Commerce & Labor. It is now on the House floor calendar and needs a vote by this Friday.

SB 5920 (Kohl-Welles) — Establishing a pilot program for **vocational rehabilitation reform** in our workers' compensation system.

SB 5920 passed the Senate 42-4 and last Wednesday it passed the House 74-21. It now heads to the Governor's desk.

HB 1244 (Conway) — The **Workers' Compensation Hour Bank** bill creates parity between injured construction workers and all other injured workers in Washington state by applying the 2000 *Cockle* Supreme Court decision uniformly to all workers. If health care contributions to a worker's hour bank stop during the time an injured worker is off work, then the value of that health care contribution is added to the worker's time loss payment.

HB 1244 passed the House 64-32. It was amended in the Senate to make changes agreed to by both labor and business, and last Wednesday it passed 47-0. It now goes back to the House for concurrence.

HB 2010 (Haigh) — Creating **responsible bidder criteria** for public works contracts. This will improve public works and provide consistency by ensuring bidders are licensed, certified and registered with the state, are providing workers' compensation coverage for their employees, and making contractors responsible for ensuring the same of subcontractors.

HB 2010 passed the House 76-21 and on Thursday it passed the Senate 45-3. It now heads to the Governor's desk.

HB 2079 (Conway) — Clarifying the **agency fee rules**. This bill regarding union accounting processes has been misinterpreted, perhaps deliberately, by some as allowing the agency-shop fees to be used for political purposes. It does not. It clarifies existing statute by making it clear that agency-shop fees are not considered used for political purposes when sufficient funds exist in the union's general treasury to cover the expenditure.

HB 2079 passed the House 55-42 and the Senate Labor & Commerce Committee. It is now in Senate Rules and needs a floor vote by this Friday to survive.

HB 2111 (Williams) — A bill granting **collective bargaining rights for adult family home providers**. These are small-business owners providing residential assisted living so elderly and disabled adults can live with dignity in a family-like atmosphere with as much independence as possible. Providers depend on state reimbursements that leave them underpaid.

Both adult family home associations now support this important bill.

HB 2111 passed the House 80-16 and the Senate Labor & Commerce Committee. It is now in Senate Rules and needs a floor vote by this Friday to survive.