

SB 352

**An Act Creating a Process for Family Child Care Providers
to Collectively Bargain with the State**

TESTIMONY BEFORE THE
LABOR COMMITTEE
CONNECTICUT GENERAL ASSEMBLY

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I am pleased to speak in favor of Senate Bill 352, an *Act Creating a Process for Family Child Care Providers to Collectively Bargain with the State*. The legislation before this Committee extends to family child care providers the right to speak with one voice with regard to the terms and conditions of their participation in the state subsidy system -- a right that most workers in this country have. My testimony today focuses on what efforts have been undertaken in other states to establish a reliable system and enable an efficient and productive partnership between providers and the State.

Introduction

Every day in Connecticut, more than 4,700 family child care providers are busy caring for thousands of young children, preparing them for success in school and in life and enabling their parents to work. These small business people—mostly women and often people of color—are a vital part of the infrastructure that keeps Connecticut parents in the workforce and prepares children for school. They support our children’s social and emotional development and academic success, shrinking children’s achievement gaps in their earliest years and preparing them to be good students and productive citizens. Additionally, family child care is often the most accessible and affordable option for parents. They frequently provide care for children during non-standard hours and for children with learning challenges

I am pleased to report that for the first time in Connecticut’s history, family child care providers who care for children in the Care4Kids program will have the opportunity to join a union. In December of 2011, providers voted overwhelmingly to form their union with SEIU – 95% of providers voted YES. Providers recognize that through collective bargaining they will have the right to work directly with the state to address problems like high provider turnover, timely payments, training and parent access to the child care program. Shortly, we hope that to begin a meet and confer process with the state to discuss improvements to the Care4Kids program.

This legislation is prompted by the broad consensus that there are serious access and quality issues in the provision of child care services, especially for low income families. The child care system is plagued by problems like high provider turnover, uneven quality, and inefficiency. Family child care providers in Connecticut care deeply about their profession and the families they serve, and want to make child care work better for everyone—but they have no right to work together with the state to raise standards and improve access to child care services. SB 352 would fix this.

Low reimbursement rates, the lack of benefits, and exclusion from decision-making about child care programs cause tremendous turnover among child care providers and result too often in

services being provided by people who have not had adequate training. Connecticut lost more than a thousand providers in the last decade—and with them 6,000 spaces in licensed family homes. Family providers are the experts on what it will take to stabilize the child care workforce. Enabling family child care providers to have a voice in shaping policy is a wise investment in our children, our economy and our future.

According to the Connecticut Department of Labor, child care workers are among the lowest paid workers in the state. Connecticut is one of only three states that have not raised child care subsidy rates since 2002. Connecticut sets its Care4Kids rate at the 60th percentile of 2001 market rates. With increased rates, families will have more choice and access to quality child care. The low reimbursement rates are further complicated by delayed state subsidy payments – some have complained that payments maybe be 3 months late. Family child care providers would like to help the state find solutions that fix these problems and reduce turnover in the field.

Benefits of Collective Negotiations – Examples from other States with Collective Negotiations for Family Child Care Providers

Legislatures in eight (8) states have preceded Connecticut in granting bargaining rights to family child care providers. SEIU has a proven track record of working together with policymakers and early learning advocates to: improve training by tying training to better reimbursement rates; increase parent access to child care; and, stabilize the child care workforce. With a voice in the decisions that affect them, Connecticut home-based providers can help improve child care for children and families, find efficiencies in the child care subsidy program, help to strengthen Connecticut's economy, and make child care a career which can attract and retain a committed and qualified workforce.

In the states where SEIU has organized family child care providers -- Illinois, Washington, Oregon and Maryland -- program improvements were made without having to cut children from the subsidy program, and in most cases, access to child care was expanded through 2011.

- In Oregon, the collective bargaining agreement expanded access to child care by raising the eligibility of parents from 150% FPL to 185% FPL.
- In Washington State, increases to parent co-pays were averted in 2009 when providers decided to forgo rate increases to stop increases to parent co-pays. No children were cut from the program. The collective bargaining agreement also included funding to support expanded access to infant care and non-standard hour care.

Despite the fact that child care centers are not covered by any of these collective bargaining agreements, they benefitted from SEIU's efforts to increase funding for child care programs through rate enhancements, expanded training and expanded eligibility¹. In every state where reimbursement rates increased, the state also chose to increase rates paid to child care centers as a result of the family child care collective bargaining increases. The increased funding negotiated in the collective bargaining agreement was applied to all who provide care under the subsidy program.

- Illinois: Since 2006, centers have received the same rate increases as family child care providers, ranging from 35% -55%.

¹ National Women's Law Center, "Getting Organized: Unionizing Home-based Child Care Providers, 2010

- Washington: Child care centers received the same rate increases as family child care providers – 7% in 2007 and 3% in 2008. Providers who care for children during non-standard hours or care for infants receive additional rate increases.
- Oregon: Subsidized child care rates for licensed centers increased to 100% of the 75th percentile of market rates, while rates for Family, Friends and Neighbor providers increase to 88% of the 75th percentile.
- Maryland: Child care centers received the same rate increases as family child care providers, an average of 2.9% effective October 1, 2009.

In all four states, the collective bargaining agreements have focused on increasing training and professional development for providers has benefited from the contract. These workforce improvements have stabilized the availability of quality family child care providers. Family child care providers with SEIU have negotiated with the states to decrease turnover by providing access to health care and improving reimbursement rates. Some examples of how the agreement improved the quality of early learning programs through training include

- Illinois: the first collective bargaining agreement included implementing a Quality Rating System (QRS), a recommendation developed by Illinois's early learning council. The QRS included family, friends and neighbor care (FFN). Improved rates led to more licensed providers signing up to care for children in the state subsidy program.
- In Washington, attending trainings has been linked to licensing and certification. The State established a mentorship program for providers to improve quality and providers who get licensed receive a bonus.
- In Oregon, FFN providers are required to attend a mandatory orientation in order to participate in the child care program. The orientation has led to increased application for the Federal food program. Providers receive early learning instruction as well as an orientation to how to complete program paperwork improving the administrative efficiency.
- Several states have negotiated trainings that are attached to higher pay rates and/or bonuses and offered in several languages.

Authority to Enable Collective Negotiations

Collective negotiation with regard to compensation and working conditions is permitted, even encouraged by federal and state law, in the employer-employee context. In addition, there are other circumstances where providers of services, although not in traditional employer-employee relationships, have been allowed to engage in collective negotiations because of the benefits to both consumers and the service providers. States have taken action to provide such rights in situations where market forces were not meeting the needs of residents and where such action could address a workforce crisis due to significant problems recruiting and retaining workers that are vital to the community.

Connecticut is joining eight other states in recognizing the importance of legislating collective representation rights for family child care providers. In 2005, Illinois passed legislation to codify negotiating rights for family child care providers first established by executive order. The legislation passed the Illinois Senate unanimously, and in the House the vote was only one short of unanimous. Two contracts between providers and the State of Illinois have been negotiated under its authority. Other states which have passed statutes extending collective bargaining

rights for family child care providers include: Washington (2006), Oregon (2007), Maine (2008), Maryland (2009), New Mexico (2009), Wisconsin (2009), and New Jersey (2010).

Senate Bill 352 establishes the rights of family child care providers in Connecticut who participate in the Care4Kids Program to negotiate the terms and conditions of the services they provide pursuant to that State Program. Bill 352 enables those providers to elect a representative and negotiate with the state through that representative. By allowing family child care providers to play a greater role in shaping the subsidized system of family child care, the Bill addresses some of the key concerns raised by parents, advocates and providers with regard to regulatory oversight, reimbursement levels, and the exclusion of providers from partnership participation in the current system.

By extending the right to negotiate collectively to family child care providers, the state is not making providers state employees. This law would grant providers the legal standing to address training, payment procedures, rates and other conditions that will enable providers to improve quality care and early learning. Because family child care providers are not traditional employees, they are not covered under any existing labor laws.

The General Assembly has clear authority to extend these rights to family child care providers. The State has plenary authority to promulgate rules and regulations governing the provision of subsidized child care and the rules governing family child care homes. This authority allows the State broad discretion to determine how to administer the subsidy program. It allows it to determine that a policy favoring collective negotiations would serve the interests of the State, beneficiaries, and providers and authorize such a policy so long as it would not be inconsistent with other law.

Conclusion

This legislation is an important step forwards towards closing the achievement gap by extending to family child care providers the opportunity to enter in to collective negotiations that seek to improve the quality of family child care and stabilize the supply of providers participating in the subsidy program. Supporting the child care system and giving family child care providers a voice is an investment in the Connecticut's children and their future, and thus should be part of any early care and education initiative.