HOUSE BILL 1318

O4, K3 HB 1478/06 – ECM & W&M

By: Delegate Davis

Introduced and read first time: February 28, 2007 Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

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Maryland Partnership for Innovation and Quality in Family Child Care Act

FOR the purpose of authorizing family child care providers to designate which provider organizations, if any, shall be the joint negotiating representative of all State Purchase of Child Care Subsidy program (POC) providers; establishing certain procedures for petitioning of a provider organization for recognition as representative of POC providers; establishing certain procedures for the election of provider organizations; establishing a certain minimum period representation for the initial designation of a provider organization; requiring that a certain percentage of providers petition to request an election after the initial designation period of a provider organization; requiring provider organizations designated as representative to represent all POC providers in the State fairly, without regard to whether or not the POC provider is a member of the provider organization; requiring the State Department of Education to negotiate with the representative of POC providers on certain matters; requiring the State Department of Education to consult with the Department of Budget and Management on certain matters; authorizing the State Department of Education to negotiate with the joint negotiating representative of POC providers on certain matters; limiting the service or representation fee of the POC providers; authorizing a certain deduction in the membership dues of providers; establishing certain procedures for the appointment of a third party when there is an impasse; specifying that if certain issues agreed on by certain parties would require modifications of existing regulations, the issues may not become effective until the modifications to the regulations have been made in a certain manner; specifying that the designation of certain State representatives under this Act does not prevent provider organizations from appearing before or

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 2 3 4	making proposals to the State Department of Education at a public meeting or hearing; prohibiting the State and provider organizations from certain actions against providers because of the exercise of the providers' rights to join or refuse to join a provider organization; prohibiting a provider organization from calling				
5	or directing a strike; declaring the legislative intent of the General Assembly as				
6	it relates to the application of a certain exemption to State and federal antitrust				
7	laws and participation in the POC program; providing for the application and				
8	construction of this Act; defining certain terms; providing for the short title of				
9	this Act; declaring that the provisions of this Act are severable; providing for the				
10 11	delayed effective date of this Act; and generally relating to the organization of family child care providers.				
12	BY adding to				
13	Article – Education				
14	Section 27–101 through 27–112 to be under the new title "Title 27. Organization				
15	of Family Child Care Providers"				
16 17	Annotated Code of Maryland (2006 Replacement Volume)				
18	BY repealing and reenacting, without amendments,				
19	Article – Family Law				
20	Section 5–550(d) and 5–552(b)				
21	Annotated Code of Maryland				
22	(2006 Replacement Volume)				
23	Preamble				
24	WHEREAS, Quality child care is a fundamental need for Maryland families				
25	with the majority of children under 6 years of age having both parents, or their sole				
26	parent, in the workforce; and				
27	WHEREAS, Family child care providers play a crucial role in providing quality				
28	and affordable child care for young children and working parents; and				
29	WHEREAS, Wages and training opportunities need to be increased in order to				
30	attract a sufficient number of providers to meet statewide demand for family child				
31	care services; and				
32	WHEREAS, Families receiving assistance through the State Purchase of Child				
33	Care Subsidy program do not control the economic and other terms of delivery of				
34	services, and therefore cannot effectively address concerns common to family child				
35	care providers throughout the State; and				

1 2 3 4 5	WHEREAS, Empowering family child care providers to negotiate jointly with the State will improve the efficiency and effectiveness of communication between family child care providers and the State and help restore the competitive balance in the market for family child care services, thereby providing benefits for parents and the community; now, therefore,
6 7	SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:
8	Article - Education
9	TITLE 27. ORGANIZATION OF FAMILY CHILD CARE PROVIDERS.
10	27–101.
11 12	(A) IN THIS TITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.
13	(B) "FAMILY CHILD CARE PROVIDER" MEANS:
14	(1) A REGISTERED PROVIDER; OR
15	(2) AN INDIVIDUAL WHO:
16 17 18	(I) PROVIDES CARE IN A FAMILY DAY CARE HOME THAT IS EXEMPT FROM THE REGISTRATION REQUIREMENTS UNDER § 5–552(B) OF THE FAMILY LAW ARTICLE; AND
19	(II) PARTICIPATES IN THE POC PROGRAM.
20 21	(C) "POC PROGRAM" MEANS THE STATE PURCHASE OF CHILD CARE SUBSIDY PROGRAM.
22 23	(D) "POC PROVIDER" MEANS A FAMILY CHILD CARE PROVIDER WHO PARTICIPATES IN THE POC PROGRAM.
24	(E) "PROVIDER ORGANIZATION" MEANS AN ORGANIZATION THAT:
25	(1) INCLUDES FAMILY CHILD CARE PROVIDERS; AND

- 1 (2) HAS AS ONE OF ITS MAIN PURPOSES THE REPRESENTATION 2 OF FAMILY CHILD CARE PROVIDERS IN THEIR RELATIONS WITH THE STATE.
- 3 (F) "REGISTERED PROVIDER" MEANS A FAMILY DAY CARE PROVIDER AS 4 DEFINED IN § 5–550 OF THE FAMILY LAW ARTICLE.
- 5 **27–102.**
- IN ACCORDING FAMILY CHILD CARE PROVIDERS AND THEIR REPRESENTATIVES RIGHTS UNDER THIS TITLE, IT IS THE LEGISLATIVE INTENT OF THE GENERAL ASSEMBLY:
- 9 (1) THAT THE STATE ACTION EXEMPTION TO THE APPLICATION
 10 OF FEDERAL AND STATE ANTITRUST LAWS BE FULLY AVAILABLE TO THE
 11 EXTENT THAT THE ACTIVITIES OF THE FAMILY CHILD CARE PROVIDERS AND
 12 THEIR REPRESENTATIVES ARE AUTHORIZED UNDER THIS TITLE; AND
- 13 **(2)** That no provision of any agreement made under this 14 TITLE SHALL PRECLUDE AN ELIGIBLE FAMILY OR INDIVIDUAL FROM 15 PARTICIPATING IN THE POC PROGRAM.
- 16 **27–103.**
- POC PROVIDERS MAY DESIGNATE, IN ACCORDANCE WITH THE
 PROVISIONS OF THIS TITLE, WHICH PROVIDER ORGANIZATION, IF ANY, SHALL
 BE THE JOINT NEGOTIATING REPRESENTATIVE OF ALL POC PROVIDERS IN THE
 STATE.
- 21 **27–104.**
- 22 (A) If A PROVIDER ORGANIZATION PETITIONS THE DEPARTMENT ON
 23 OR BEFORE AUGUST 1 OF THE YEAR IN WHICH THE PETITION IS MADE WITH
 24 WRITTEN AUTHORIZATION TO SERVE AS JOINT NEGOTIATING REPRESENTATIVE
 25 FROM AT LEAST 30% OF THE TOTAL NUMBER OF POC PROVIDERS IN THE STATE
 26 AS OF JUNE 1 OF THE YEAR IN WHICH THE PETITION IS MADE, THIS PETITION IS
 27 A REQUEST FOR RECOGNITION AS REPRESENTATIVE OF ALL POC PROVIDERS IN
 28 THE STATE.

1	(B) IF MORE THAN ONE PROVIDER ORGANIZATION PETITIONS THE
2	DEPARTMENT IN ACCORDANCE WITH SUBSECTION (A) OF THIS SECTION, AN
3	ELECTION SHALL BE HELD IN WHICH THE POC PROVIDERS IN THE STATE
4	SHALL BE OFFERED THE OPPORTUNITY TO CHOOSE:
_	(1)
5	(1) ONE OF THE PROVIDER ORGANIZATIONS AS THE JOINT
6	NEGOTIATING REPRESENTATIVE OF ALL POC PROVIDERS IN THE STATE; OR
7	(2) NOT TO HAVE REPRESENTATION.
8	(C) IF ONLY ONE PROVIDER ORGANIZATION PETITIONS THE
9	DEPARTMENT IN ACCORDANCE WITH SUBSECTION (A) OF THIS SECTION, AN
10	ELECTION SHALL BE HELD AND THE BALLOT SHALL OFFER A CHOICE BETWEEN:
11	(1) REPRESENTATION BY THE PROVIDER ORGANIZATION; AND
12	(2) NOT TO HAVE REPRESENTATION.
13	(D) (1) ON RECEIPT OF ANY PETITIONS REQUESTING RECOGNITION
14	UNDER THIS SECTION, THE DEPARTMENT SHALL REQUEST THE AMERICAN
15	ARBITRATION ASSOCIATION TO:
16	(I) VERIFY THE NUMBER OF FAMILY CHILD CARE
17	PROVIDERS THAT HAVE AUTHORIZED A PROVIDER ORGANIZATION ON THE DATE
18	OF THE PETITION REQUESTING RECOGNITION; AND
10	
19	(II) AFTER VERIFYING PROVIDER AUTHORIZATION OF THE
20	PETITIONING PROVIDER ORGANIZATION, HOLD ELECTIONS UNDER THIS
21	SECTION AND CERTIFY THEIR RESULTS ON OR BEFORE OCTOBER 1 OF THE
22	YEAR IN WHICH THE PETITION IS MADE.
23	(2) IF THE AMERICAN ARBITRATION ASSOCIATION IS UNABLE OR
24	UNWILLING TO VERIFY PROVIDER AUTHORIZATION OR HOLD ELECTIONS UNDER

26 (I) THE AMERICAN ARBITRATION ASSOCIATION SHALL 27 NOTIFY THE DEPARTMENT NO LATER THAN 15 DAYS AFTER RECEIVING A

28 REQUEST FROM THE DEPARTMENT UNDER PARAGRAPH (1) OF THIS

29 **SUBSECTION; AND**

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PARAGRAPH (1) OF THIS SUBSECTION:

- 1 (II) ON RECEIPT OF NOTICE FROM THE AMERICAN
- 2 ARBITRATION ASSOCIATION UNDER ITEM (I) OF THIS PARAGRAPH, THE
- 3 DEPARTMENT SHALL APPOINT A NEUTRAL THIRD PARTY TO CARRY OUT THE
- 4 ELECTION AND VERIFICATION PROCESS.
- 5 (3) THE ELECTIONS SHALL BE HELD IN A MANNER ASSURING THE
- 6 **SECRECY OF THE BALLOT.**
- 7 (4) (I) THE COSTS OF THE ELECTION SHALL BE EQUALLY
- 8 SHARED BY EACH PROVIDER ORGANIZATION PLACED ON THE BALLOT.
- 9 (II) IF ONLY ONE PROVIDER ORGANIZATION IS PLACED ON
- 10 THE BALLOT, THAT PROVIDER ORGANIZATION SHALL PAY ALL COSTS OF THE
- 11 **ELECTION.**
- 12 (5) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH,
- 13 IN ANY ELECTION HELD UNDER THIS SECTION, THE PROVIDER ORGANIZATION
- 14 THAT RECEIVES THE LARGEST NUMBER OF VOTES CAST SHALL BE DESIGNATED
- 15 TO BE THE REPRESENTATIVE OF ALL FAMILY CHILD CARE PROVIDERS IN THE
- 16 **PETITIONED-FOR GROUP.**
- 17 (II) IF THE LARGEST NUMBER OF VOTES IN THE ELECTION
- 18 IS CAST NOT TO HAVE REPRESENTATION, A REPRESENTATIVE MAY NOT BE
- 19 **DESIGNATED FOR THE PETITIONED-FOR GROUP.**
- 20 **27–105.**
- 21 (A) (1) THE INITIAL DESIGNATION OF A REPRESENTATIVE SHALL BE
- 22 FOR 3 OR MORE YEARS.
- 23 (2) AFTER THIS INITIAL PERIOD, THE DESIGNATED PROVIDER
- 24 ORGANIZATION SHALL BE THE REPRESENTATIVE UNTIL ANOTHER ELECTION IS
- 25 **HELD.**
- 26 (B) (1) AFTER THE INITIAL PERIOD OF REPRESENTATION IS
- 27 CONCLUDED, AN ELECTION CHALLENGING THE DESIGNATION OF THE JOINT
- 28 NEGOTIATING REPRESENTATIVE MAY BE HELD ONLY ON PETITION SIGNED BY
- 29 MORE THAN 30% OF POC PROVIDERS IN THE STATE.

1	(2) IF THERE IS AN AGREEMENT IN EFFECT BETWEEN THE
2	DEPARTMENT AND THE PROVIDER ORGANIZATION DESIGNATED AS THE JOINT
3	NEGOTIATING REPRESENTATIVE, A PETITION MAY NOT BE FILED EXCEPT
4	DURING THE PERIOD NOT LESS THAN 60 AND NOT MORE THAN 90 DAYS BEFORE
5	THE EXPIRATION OF THE AGREEMENT.

- 6 (C) PROVIDER AUTHORIZATION SHALL BE VERIFIED AND ANY 7 ELECTION UNDER THIS SECTION SHALL:
- 8 (1) BE HELD IN THE SAME MANNER AS PROVIDED IN § 27–104 OF 9 THIS TITLE; AND
- 10 (2) BE COMPLETED WITHIN 60 DAYS OF A QUALIFYING PETITION.
- 11 (D) ALL SIGNATURES ON A PETITION REQUESTING AN ELECTION AFTER
 12 THE INITIAL PERIOD SHALL BE OBTAINED WITHIN 90 DAYS BEFORE THE DATE
 13 THE PETITION IS FILED.
- 14 **27–106.**
- 15 (A) A PROVIDER ORGANIZATION DESIGNATED AS THE REPRESENTATIVE 16 OF THE POC PROVIDERS SHALL BE THE JOINT NEGOTIATING REPRESENTATIVE 17 OF ALL POC PROVIDERS.
- 18 **(B) A** PROVIDER ORGANIZATION DESIGNATED AS THE JOINT
 19 NEGOTIATING REPRESENTATIVE SHALL REPRESENT ALL POC PROVIDERS IN
 20 THE STATE FAIRLY AND WITHOUT DISCRIMINATION, WHETHER OR NOT THE
 21 **POC** PROVIDERS ARE MEMBERS OF THE PROVIDER ORGANIZATION.
- CONSULTATION 22 **(C) (1)** THE DEPARTMENT, INWITH THE DEPARTMENT OF BUDGET AND MANAGEMENT, SHALL NEGOTIATE WITH THE 23 PROVIDER ORGANIZATION DESIGNATED AS THE REPRESENTATIVE OF POC 24 PROVIDERS A REASONABLE SERVICE OR REPRESENTATION FEE TO BE CHARGED 25 NONMEMBERS FOR REPRESENTING THEM IN NEGOTIATIONS, CONTRACT 26 27 ADMINISTRATION, INCLUDING GRIEVANCES, AND OTHER ACTIVITIES AS ARE REQUIRED UNDER SUBSECTION (B) OF THIS SECTION. 28

- 1 (2) THE SERVICE OR REPRESENTATION FEE MUST BE LESS THAN 2 THE ANNUAL DUES OF THE MEMBERS OF THE PROVIDER ORGANIZATION.
- 3 (3) THE DEPARTMENT MAY DEDUCT MEMBERSHIP DUES AND ANY
 4 SERVICE FEES FROM THE PAYMENTS TO POC PROVIDERS AND REMIT THE FEES
 5 MONTHLY TO THE PROVIDER ORGANIZATION.
- 6 **27–107.**
- 7 (A) IN THIS SECTION, "NEGOTIATE" INCLUDES THE DUTY TO:
- 8 (1) CONFER IN GOOD FAITH, AT ALL REASONABLE TIMES, WITH
 9 THE INTENTION OF REACHING AGREEMENT ON RATES OF PAY AND OTHER
 10 TERMS AND CONDITIONS OF POC PROVIDER PARTICIPATION IN THE POC
 11 PROGRAM; AND
- 12 **(2)** REDUCE TO WRITING THE MATTERS AGREED ON AS A RESULT 13 OF THE NEGOTIATIONS.
- 14 (B) THE AGREEMENTS MADE UNDER THIS SECTION BETWEEN THE
 15 DEPARTMENT AND THE REPRESENTATIVE OF THE PROVIDER ORGANIZATION
 16 MAY PROVIDE FOR BINDING ARBITRATION OF THE GRIEVANCES ARISING UNDER
 17 THE AGREEMENT THAT THE PARTIES HAVE AGREED TO BE SUBJECT TO
 18 ARBITRATION.
- 19 (C) SUBJECT TO THE AVAILABILITY OF FUNDING NECESSARY TO FUND
 20 THE AGREEMENT, PARTIES THAT NEGOTIATE UNDER THE TERMS OF THIS
 21 SECTION SHALL BE BOUND BY THE TERMS AND CONDITIONS AGREED ON
 22 THROUGH THE NEGOTIATION PROCESS.
- ON REQUEST, REPRESENTATIVES OF THE DEPARTMENT 23 **(D) (1)** (I)SHALL MEET AND NEGOTIATE WITH REPRESENTATIVES OF THE PROVIDER 24 25 IS DESIGNATED AS THE ORGANIZATION THAT JOINT NEGOTIATING REPRESENTATIVE OF POC PROVIDERS ON ALL MATTERS THAT RELATE TO POC 26 REIMBURSEMENT RATES, RULES AND REGULATIONS GOVERNING THE POC 27 28 PROGRAM, AND OTHER TERMS AND CONDITIONS OF PARTICIPATION IN THE 29 POC PROGRAM.

1	(II)	THE	DEPARTMENT	SHALL	CONSULT	WITH	THE
2	DEPARTMENT OF BU	DGET A	ND MANAGEMEN'	Γ REGARI	DING ANY NI	EGOTIAT	TIONS
3	ON POC REIMBURSE	MENT R	ATES				

- 4 (2) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS
 5 SUBSECTION, REPRESENTATIVES OF THE DEPARTMENT MAY NEGOTIATE WITH
 6 REPRESENTATIVES OF THE PROVIDER ORGANIZATION THAT IS DESIGNATED AS
 7 THE JOINT NEGOTIATING REPRESENTATIVE OF POC PROVIDERS ON OTHER
 8 MATTERS THAT ARE MUTUALLY AGREED TO BY THE DEPARTMENT AND THE
 9 PROVIDER ORGANIZATION.
- 10 **(3)** THE DEPARTMENT MAY NOT NEGOTIATE ANY MATTER THAT 11 IS PRECLUDED BY APPLICABLE STATUTORY LAW.
- 12 (4) (I) IF THE TERMS OR CONDITIONS AGREED ON BY THE
 13 PARTIES TO THE NEGOTIATIONS WOULD REQUIRE MODIFICATION OF EXISTING
 14 REGULATIONS, THE TERMS MAY NOT BECOME EFFECTIVE UNTIL THE
 15 MODIFICATIONS HAVE BEEN MADE BY THE DEPARTMENT AND HAVE TAKEN
 16 EFFECT IN ACCORDANCE WITH TITLE 10 OF THE STATE GOVERNMENT
 17 ARTICLE.
- 18 (II) THE TERMS OR CONDITIONS OF AN AGREEMENT
 19 REACHED UNDER THIS SECTION THAT REQUIRE MODIFICATIONS OF EXISTING
 20 REGULATIONS:
- 21 **1.** ARE CONTINGENT ON THE SUCCESSFUL 22 COMPLETION OF THE RULEMAKING PROCESS UNDER THE MARYLAND 23 ADMINISTRATIVE PROCEDURE ACT; AND
- 24 **2. MAY** REQUIRE RECONSIDERATION OF, OR 25 MODIFICATION TO, ANY CONTINGENT AGREEMENT AS PART OF THAT 26 RULEMAKING PROCESS.
- 27 **(E) (1) REPRESENTATIVES OF THE DEPARTMENT OR THE PROVIDER**28 **ORGANIZATION MAY REQUEST THE CREATION OF A PANEL TO AID IN RESOLVING**29 **AN IMPASSE IF:**
- 30 (I) NEGOTIATIONS HAVE NOT COMMENCED 90 DAYS AFTER 31 CERTIFICATION OF THE JOINT NEGOTIATING REPRESENTATIVE; OR

(II) NO AGREEMENT HAS BEEN SIGNED AFTER 90 DAYS OF GOOD FAITH NEGOTIATIONS OVER THE TERMS OF AN AGREEMENT.
(2) THE PANEL SHALL CONTAIN THREE INDIVIDUALS CHOSEN AS FOLLOWS:
(I) ONE MEMBER IS TO BE NAMED BY THE DEPARTMENT WITHIN 3 DAYS AFTER THE REQUEST;
(II) ONE MEMBER IS TO BE NAMED BY THE PROVIDER ORGANIZATION WITHIN 3 DAYS AFTER THE REQUEST; AND
(III) ONE MEMBER IS TO BE CHOSEN BY THE OTHER TWO MEMBERS WITHIN 10 DAYS AFTER THE REQUEST.
(3) THE PANEL SELECTED SHALL MEET WITH THE PARTIES TO AID IN RESOLVING THE IMPASSE AND, IF THE MATTER IS NOT RESOLVED, SHALI MAKE A WRITTEN REPORT AND RECOMMENDATION WITHIN 30 DAYS AFTER THE REQUEST.
(4) A COPY OF THE REPORT SHALL BE SENT TO THE REPRESENTATIVES OF THE DEPARTMENT AND THE PROVIDER ORGANIZATION.
(5) ALL COSTS OF MEDIATION SHALL BE SHARED EQUALLY BY THE DEPARTMENT AND THE PROVIDER ORGANIZATION.
27–108.
(A) IN THIS SECTION, "STATE" INCLUDES:
(1) A UNIT OF THE STATE; AND
(2) AN EMPLOYEE OF THE STATE.
(B) THE STATE AND PROVIDER ORGANIZATIONS MAY NOT INTERFERE WITH, INTIMIDATE, RESTRAIN, COERCE, OR DISCRIMINATE AGAINST ANY FAMILY CHILD CARE PROVIDER BECAUSE OF THE EXERCISE OF THE FAMILY

- 1 CHILD CARE PROVIDER'S RIGHTS TO JOIN OR REFUSE TO JOIN A PROVIDER
- 2 ORGANIZATION.
- 3 **27–109.**
- 4 THE DESIGNATION OF REPRESENTATIVES BY THE DEPARTMENT UNDER
- 5 THIS TITLE DOES NOT PREVENT THE DESIGNATED PROVIDER ORGANIZATION OR
- 6 ANY OTHER ORGANIZATION OR INDIVIDUAL FROM APPEARING BEFORE OR
- 7 MAKING PROPOSALS TO THE DEPARTMENT AT A PUBLIC MEETING OR HEARING
- 8 OR AT ANY OTHER DEPARTMENT FORUM.
- 9 **27–110.**
- 10 A PROVIDER ORGANIZATION MAY NOT CALL OR DIRECT A STRIKE.
- 11 **27-111.**
- 12 THIS TITLE MAY NOT BE CONSTRUED TO MAKE FAMILY CHILD CARE
- 13 PROVIDERS EMPLOYEES OF THE STATE.
- 14 **27–112.**
- THIS TITLE MAY BE CITED AS THE "MARYLAND PARTNERSHIP FOR
- 16 INNOVATION AND QUALITY IN FAMILY CHILD CARE ACT".
- 17 **Article Family Law**
- 18 5–550.
- 19 (d) "Family day care provider" means an individual who cares for no more
- 20 than eight children in a registered family day care home.
- 21 5–552.
- 22 (b) A family day care home is not required to be registered if the day care
- 23 provider:
- 24 (1) is related to each child by blood or marriage;

1	(2)	is a friend of each	child's parents or	legal g	guardian	and the	care	is
2	provided on an occ	casional basis; or						

- 3 (3) has received the care of the child from a child placement agency 4 licensed by the Administration or by a local department.
 - SECTION 2. AND BE IT FURTHER ENACTED, That if any provision of this Act or the application thereof to any person or circumstance is held invalid for any reason in a court of competent jurisdiction, the invalidity does not affect other provisions or any other application of this Act which can be given effect without the invalid provision or application, and for this purpose the provisions of this Act are declared severable.
- SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2008.