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Daniel Weintraub: Unionizing family day care would hurt the poor

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Don't look now, but the Democrats in the California Legislature want to unionize Grandma. Really.

A bill pending in the Senate would create a union to organize family members who provide child care for their kin and are paid by the state so that mothers can work outside the home. The measure already has passed in the Assembly.

The child care providers – grandparents, aunts, uncles and siblings – would pay dues and be represented collectively in negotiations with the state over pay, benefits and working conditions. Child care providers who did not want to join the union would still have to pay fees – likely in the same amount as the union dues.

A Democratic staff analysis of a similar bill last year estimated that the measure could cost taxpayers \$60 million a year, which would probably mean cuts to subsidized child care for poor working single moms. Each grandma would get more money, in other words, but that would mean the money the state spends on child care would not go as far, and some families would have to go without.

The only alternative would be to spend more money on the child care subsidies – and less on something else.

Gov. Arnold Schwarzenegger vetoed last year's bill, as he had two other attempts to accomplish the same thing. But now Democrats in the Capitol seem to think the governor might change his mind.

One reason for their optimism: The bill to unionize grandmas came up late last year during Schwarzenegger's discussions on health care reform with Andy Stern, national leader of the Service Employees International Union. Stern's intervention helped turn around SEIU's California chapter on the governor's health care bill, and the union's support was crucial to getting the bill through the Assembly, though it still died in the Senate.

Schwarzenegger's aides insist that the governor did not promise Stern that he would sign the child care bill in exchange for the union's support of his health care measure. But it sure is odd that the Democrats are now rushing through the Legislature a bill that the governor has rejected in the past.

The move in California is part of a nationwide strategy by SEIU and the American Federation

of State, County and Municipal Employees. Since 2005, governors in eight states have issued executive orders or taken other action giving family child care providers the right to unionize and bargain as a group.

Some readers might be surprised to learn that the government actually pays people to look after their own grandchildren, nieces and nephews. The system grew out of welfare reform in the 1990s, when policymakers were looking for ways to end dependence and move mothers with young children from welfare to work.

It soon became clear that many of them could not work because they could not afford to pay for child care. The state then began a massive expansion of subsidized child care, including care provided by family members in their homes. Today, the system serves nearly 700,000 California families at a cost of more than \$3 billion a year.

The state pays licensed day care providers who serve subsidized clients the same amount they charge their unsubsidized customers. Unlicensed caregivers – including family members – are paid the prevailing rate in their community. Child care centers and home-based caregivers are independent businesses, and under current law they are not allowed to collude and set a uniform price for their services.

Proponents of the bill – Senate Bill 867 – say that collective bargaining would give family caregivers the chance to raise their pay and perhaps receive benefits, including health insurance. That, in turn, might reduce turnover among family child-care providers, which is estimated at 30 percent to 40 percent a year.

Since child-care providers are independent business owners, not employees, the union would officially be known as a "provider organization." But it would function exactly like a union. The law would allow only one organization to be designated as the exclusive representative for all child-care providers. The state would be required to negotiate with the organization.

Under the current version of the bill, the first round of negotiations would not include talks over pay – a provision that would likely forestall any financial consequences until after Schwarzenegger leaves office in 2011. But there would be consequences nonetheless.

When he vetoed an earlier version of this bill in 2006, Schwarzenegger said it would "inappropriately limit" the state's ability to determine reimbursement rates for the child care it subsidizes. He also noted that, to the extent collective bargaining drove up rates paid by the state, poor families with children would actually lose because fewer families could be served by the program.

Schwarzenegger raised another concern: If collective bargaining leads to higher rates for unlicensed, family-based caregivers, that increase in rates might begin to drive the market, forcing up rates paid by families that are not eligible for state subsidies.

All of those were solid reasons for vetoing the earlier bills. None of them has changed. It will be interesting to see if Schwarzenegger has.

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