



STATE EMPLOYEES

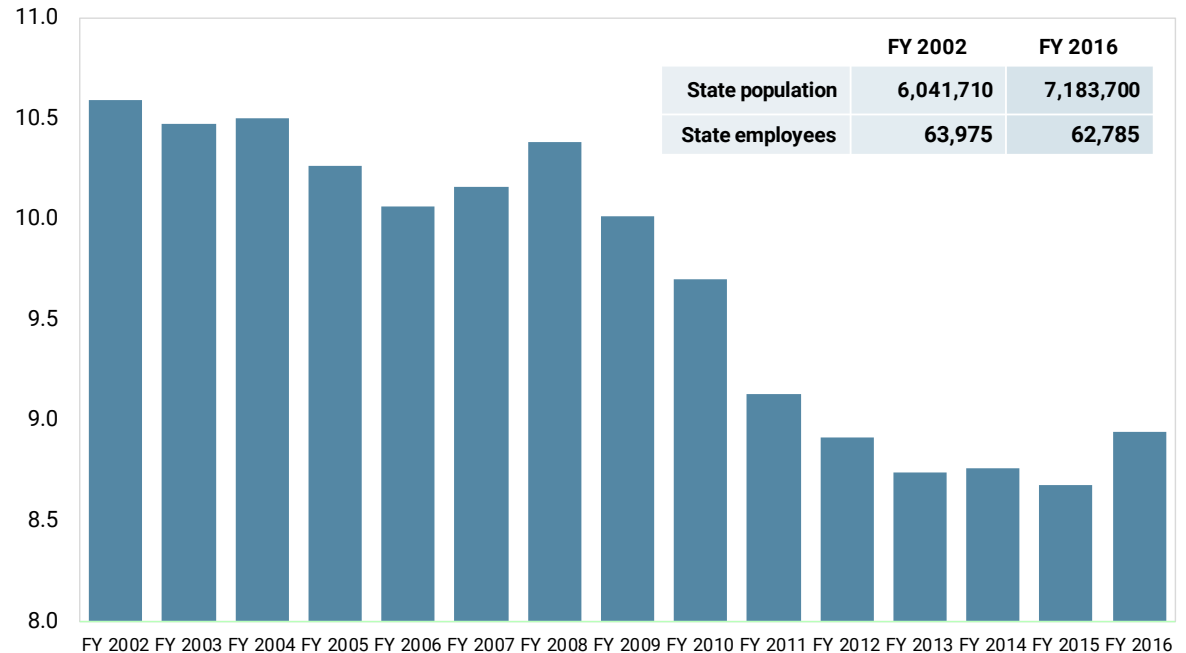
Gov. Inslee is committed to building an effective and efficient state government, and he believes it all starts on the frontlines. That's why his Results Washington initiative is engaging frontline workers across the state in an ever-expanding quest to improve how state government serves its citizens and wisely uses taxpayer dollars.

The governor also understands how important it is to give agencies the resources and tools they need to attract and retain the strongest possible workforce. But that has been a challenge, especially in certain areas, such as our state psychiatric hospitals and the Washington State Patrol.

Prior to 2015, state employees had gone six years without a general wage increase — the longest stretch since the early 1960s that they had not seen such a raise. In fact, at the height of the Great Recession, employees agreed to take a two-year, 3 percent pay cut to help the state weather the storm. Meanwhile, state employees are having to pay a larger share of their benefit costs. The average employee contribution to medical costs is now \$161 per month, compared to less than \$28 per month in 2001.

All told, as a share of the General Fund budget, state employee salaries and benefits have fallen from 21 percent in 2008 to less than 17 percent in the current fiscal year.

AS POPULATION HAS CONTINUED TO GROW, THE STATE WORKFORCE HAS SHRUNK



*Based on actual state employee head count. Does not include higher education.

In 2001, there were nearly 6 million people in Washington and about 64,000 state general government employees. Today, Washington's population is more than 7 million and general government employees total fewer than 63,000. Put another way: We have 1.5 million more people being served by 1,200 fewer state employees.

The governor's proposed 2017–19 budget includes funding for a modest general wage increase for most general government and community college employees, and larger, targeted raises to address recruitment and retention issues in certain job classes. The increases are the result of new

collective bargaining agreements and interest arbitration awards the state recently reached with 38 unions representing about 50,000 state employees and 47,000 publicly funding nonstate employees.

STATE EMPLOYEES

For most general government and community college employees, the agreements include:

- » A general wage increase phased in over the biennium (2 percent effective July 1, 2017; 2 percent effective July 1, 2018; and 2 percent effective Jan. 1, 2019)
- » A starting wage of at least \$12 per hour
- » Class-specific increases to address issues such as recruitment and retention or higher-level duties and responsibilities. While the types of classifications vary, there was particular investment in stabilizing the workforce in areas of public safety (Washington State Patrol commissioned officers) and health and human services (staff at state hospitals and social workers).

The agreements for nonstate employees, such as home care workers, include a variety of increases in hourly wages or daily rates as well as other provisions related to health and safety issues.

General wage increases awarded by interest arbitration for four agreements covering a small number of Washington State Ferries employees range from 6 percent to 13 percent over the biennium. An arbitrator awarded many Department of Corrections employees a 10.5 percent increase while, in another arbitration, employees were awarded targeted increases along with the phased-in general wage increase.

The state and its employees also reached agreement on health care benefits that calls for continuing the current premium split under which the state pays an average of 85 percent and the employee pays an average of 15 percent.

Altogether, the new collective bargaining agreements are projected to cost \$500 million General Fund-State over two years, including about \$142 million for publicly funded nonstate employees. Extending the similar pay adjustments, including the general wage increases, to nonrepresented employees — largely in higher education — will cost about \$232 million GF-S.