

# Employee Compensation

---

The governor's budgets reflect more than 30 new bargaining agreements and arbitration awards that cover more than 60,000 state employees and 51,000 publicly funded nonstate employees.

## State employees

Just as they did a decade ago at the height of the Great Recession, state employees are making sacrifices to help the state address the budget challenges brought on by the ongoing, pandemic fueled, economic downturn.

Under the governor's 2021–23 budget, most state employees won't receive a wage increase for two years. Most government employees will also take 24 unpaid furlough days (one per month) over the next two years. The furloughs equate to a 4.6% pay reduction for most employees.

The monthly furloughs are the result of cooperation with the state's largest state employee unions, which recently agreed to new collective bargaining agreements.

The furloughs do not apply to those in critical positions where the state would have to bring in relief help to cover for a furloughed employee. And, under the agreements that call for furloughs, the state agreed to negotiate possible adjustments to the number of furlough days if budget circumstances warrant.

The governor's budget also funds new health care agreements that maintain current cost-sharing arrangements where the state pays 85% of state employee health insurance premium costs and employees pay 15%. The governor's budget also maintains the health insurance subsidy for retirees, and continues to fully fund the state's pension systems.

## Nonstate employees

During this year's bargaining, the state agreed to provide modest rate increases to publicly funded nonstate employees such as child care and adult family home providers — many who work on the front lines of the state's response to the COVID-19 pandemic.

Meanwhile, individual home care providers would receive a 3% wage increase spread over the biennium and two paid holidays under an arbitration award.

## K-12 employee health care

The governor's budget also funds a new health care agreement that covers approximately 144,000 K-12 employees across the state. Similar to the state employee health care agreement, the parties agreed to maintain the 85/15 employer/employee split on premium costs.