



STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

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October 1, 2018

Sent via email only

TO: David Schumacher, Director
Office of Financial Management

FROM: Franklin Plaistowe, Assistant Director
State Human Resources

SUBJECT: OFFICIAL 2019-21 COLLECTIVE BARGAINING SUBMITTAL

This memorandum serves as the official collective bargaining status report and submittal for the 2019–21 contract period, per chapters 41.56, 41.80, 47.64 and 74.39A RCW. Below is summary-level detail about the priorities and outcomes of collective bargaining, including the health care agreement, negotiated agreements and agreements reached through interest arbitration awards.

Employer costs are provided by collective bargaining agreement in the attached financial submittal.

Investing in our workforce

The collective bargaining agreements and interest arbitration awards summarized in this submittal represent an investment in our state workforce. Through robust negotiations and arbitration proceedings, we gained valuable insight into the perspectives and priorities of our employees. From the outset of this process, we sought to make improvements in our workforce by addressing several ongoing challenges, including:

- Helping our lower-wage workers by increasing the minimum wage for state employees, addressing local minimum wage ordinances and funding a flexible (health care) spending account for those earning \$50,004 or less per year.
- Addressing challenges such as recruitment and retention by making targeted increases to certain classifications.
- Providing a general wage increase for both years of the biennium to recognize the significant growth in our economy and associated costs incurred by our employees.
- Ensuring an information technology workforce structure and compensation that is responsive to our needs and flexible to the ever-changing nature of the IT sector and labor force.
- Investing in our health care provider workforce through tuition loan repayments, hiring incentives and targeted salary increases, including for physicians and psychiatrists. This

investment was made in conjunction with receiving flexibility to hire a certain number of advanced registered nurse practitioners at Western and Eastern State hospitals.

- Acknowledging the high costs associated with living in and around Seattle by providing a wage adjustment for employees working in King County.
- Mitigating the burden of rising medical costs by maintaining the 85/15 percent employer/employee premium cost split.
- Expanding commuting and vanpool supports to improve work/life balance for our employees and ease the strain on our transportation infrastructure.

Health care

The state reached a health care agreement with the coalition of unions to contribute 85 percent of the total weighted average of the projected health care premiums. Employees will contribute 15 percent of the premium on a weighted-average basis across all plans and tiers.

Eligible enrolled subscribers who register for the SmartHealth Program and complete required activities will continue to be eligible for a \$25 gift certificate and \$125 wellness incentive.

Employees with a full-time equivalent base salary of \$50,004 or less will receive an annual \$250 payment to a medical flexible spending arrangement. Employees must meet certain criteria to be eligible for the payment.

Negotiated agreements and interest arbitration awards

The contractual terms described below are a result of negotiations or interest arbitration between the parties. In some cases, the parties reached tentative agreements in the course of bargaining on specific economic provisions, with the remaining issues being decided through interest arbitration. In those cases, the interest arbitration awards contain the remainder of the economic provisions. The costs of these are outlined by collective bargaining agreement in the attached financial submittal.

General government and community college coalition agreements

Unless specified differently below, negotiated agreements with general government and community college coalition unions provide a general wage increase of 3.0 percent effective July 1, 2019, and 3.0 percent effective July 1, 2020. Each agreement also includes targeted job classification specific increases. General government interest arbitration awards contain economic provisions as summarized below and detailed in the submittal.

- Washington Federation of State Employees
 - general government
 - higher education community college coalition
- Washington Public Employees Association
 - general government
 - higher education community college coalition
- Service Employees International Union Healthcare 1199NW
- Professional and Technical Employees Local 17

- Washington Association of Fish and Wildlife Professionals
- The coalition of unions (with fewer than 500 employees in each union)
- International Brotherhood of Teamsters Local 117 (Department of Enterprise Services)
- International Brotherhood of Teamsters Local 117 (Department of Corrections)
The interest arbitration award includes a general wage increase of 4.0 percent effective July 1, 2019, and 4.0 percent effective July 1, 2020. The agreement includes targeted job classification increases.
- Washington Federation of State Employees (Department of Corrections unique)
The interest arbitration award includes targeted job classification increases only. All other economic provisions applicable to these employees are reflected in the Washington Federation of State Employees master agreement.

Washington State Ferries

- Ferry Agents, Supervisors, and Project Administrators Association
The negotiated agreement includes a general wage increase of 3.0 percent effective July 1, 2019, and 3.0 percent effective July 1, 2020. Other small economic provisions are included.
- Inlandboatmen's Union of the Pacific
The interest arbitration award includes a general wage increase of 3.0 percent effective July 1, 2019, 3.0 percent effective July 1, 2020, and a 2.0 percent effective January 1, 2021. The award also includes targeted job classification increases, increased holiday pay and increased premium pay for use of selected power tools.
- Marine Engineers' Beneficial Association Licensed Engineer Officers
The interest arbitration award includes a general wage increase of 3.5 percent effective July 1, 2019, and 3.5 percent effective July 1, 2020. A related watch turnover rate increase tied to salary increases is included. The negotiated agreement includes a small economic provision for reimbursement for safety-toed work boots.
- Marine Engineers' Beneficial Association Unlicensed Engine Room Employees
The interest arbitration award includes a general wage increase of 3.5 percent effective July 1, 2019, and 3.5 percent effective July 1, 2020. The award also includes a related watch turnover rate increase tied to salary increases and reimbursement for safety-toed work boots.
- Marine Engineers' Beneficial Association Port Engineer Employees
The negotiated agreement includes an initial salary structure for this new bargaining unit and a general wage increase of 1.0 percent effective July 1, 2019, and 3.0 percent effective July 1, 2020. The negotiated agreement also includes the payment of a daily rate when required to be on duty outside normal working hours, a minimum pay for call outs and reimbursement for safety shoes.

- International Organization of Masters, Mates & Pilots Masters
The negotiated agreement includes a general wage increase of 3.0 percent effective July 1, 2019, and 3.0 percent effective July 1, 2020.
- International Organization of Masters, Mates & Pilots Mates
The negotiated agreement includes a general wage increase of 3.0 percent effective July 1, 2019, and 3.0 percent effective July 1, 2020.
- International Organization of Masters, Mates & Pilots Watch Supervisors
The negotiated agreement includes a general wage increase of 3.0 percent effective July 1, 2019, and 2.0 percent effective July 1, 2020. Other small economic provisions are included for call back and relief pay.
- Puget Sound Metal Trades Council
The negotiated agreement includes a general wage increase of 4.0 percent effective July 1, 2019, and 4.0 percent effective July 1, 2020. The negotiated agreement also includes a targeted job classification increase and one other small economic provision.
- Office and Professional Employees International Union Local 8
The negotiated agreement includes a general wage increase of 4.0 percent effective July 1, 2019, and 4.0 percent effective July 1, 2020. The negotiated agreement also includes targeted job classification increases, restructure of the pay schedule and increased vacation leave.
- Pacific Northwest Regional Council of Carpenters
The interest arbitration award includes a general wage increase of 4.0 percent effective July 1, 2019, and 4.0 percent effective July 1, 2020.
- Service Employees International Union Local 6
The negotiated agreement includes a general wage increase of 9.0 percent effective July 1, 2019, and 3.0 percent effective July 1, 2020, and an increase of the shift premium rate.

Washington State Patrol

Agreements were reached with the Washington State Patrol commissioned officers associations that provide for general wage increases as guided by laws of 2018, chapter 140, section 1.

- Washington State Patrol Lieutenants and Captains Association
The agreement includes a general wage increase of 2.0 percent effective July 1, 2019, and 2.5 percent effective July 1, 2020. The agreement also includes additional compensation for lieutenants performing field training officer supervisory duties.

- Washington State Patrol Troopers Association
The agreement includes a general wage increase for troopers of 2.0 percent effective July 1, 2019, and 2.5 percent effective July 1, 2020.

Non-state employees

- Service Employees International Union Local 775 (individual providers of home care services)
The negotiated agreement includes increases to hourly wages through the term of the agreement. The agreement also includes advanced training differentials and increased contributions to the healthcare, retirement and training trusts.
- Service Employees International Union Local 925 (family child care providers)
The interest arbitration award includes a rate increase for licensed providers which brings all rates in all regions up to at least the 55th percentile against the market (based on the market rate survey) in the first year, then an across-the-board increase of 6 percent in the second year. The award also includes a rate increase for license-exempt providers and a partial day rate at 75 percent of the full day rate, for providers caring for a subsidy-eligible child both before and after school. The agreement includes a modest increase in funding for health care for licensed providers; expansion to the access and scope of the provider substitute pool, increases to the Early Achievers tiered reimbursement rates and quality improvement awards, broadened access to need-based grants; and the continuation of the family childcare career development fund.
- Adult Family Home Council (adult family home providers)
The negotiated agreement includes increases to the base daily rates with additional support for training and health care costs. Other terms of the agreement include increases to the expanded community service daily rate, the specialized behavioral support add-on rate, respite rates, the community integration rate, and the meaningful day add-on rate, and creation of a medical escort fee.
- Washington Federation of State Employees (language access providers)
The negotiated agreement includes rate increases of \$1.24/hour for fiscal year 2020 and \$1.20/hour for fiscal year 2021. Other terms of the agreement include a \$2.00/hour social service premium for appointments from the Department of Social and Health Services and the Department of Children, Youth, and Families, a 2 cents increase in the telephonic rate per minute, a capped benefit for appointments that end early, and a social service mileage premium.

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Attachment: Financial Submittal