



STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

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October 1, 2020

*Sent via email only*

**TO:** David Schumacher, Director  
Office of Financial Management

**FROM:** Franklin Plaistowe, Assistant Director  
State Human Resources

**SUBJECT: OFFICIAL 2021-23 COLLECTIVE BARGAINING SUBMITTAL –  
NON-STATE EMPLOYEES**

This memorandum is the official collective bargaining status report and submittal for the 2021–23 contract period, per chapters 74.39A, 41.56.RCW. Below is a summary of the priorities and outcomes of collective bargaining, resulting in 3 negotiated agreements and terms determined through an interest arbitration award for homecare workers.

State costs for the tentatively agreed or awarded terms are set out in the attached financial submittal.

### **Guiding Principles**

The state approached negotiations with labor organizations representing non-state employee groups with recognition of both a global health care pandemic and significant budgetary challenges facing the state. In the midst of such circumstances, the state advocated for collective bargaining agreements taking into account these unprecedented and challenging times. The providers covered by these agreements continue to play an integral role in the COVID-19 response, provide services to some of the most vulnerable, and are also instrumental in the state's economic recovery.

With this context, we sought to address several ongoing challenges, including:

- Stabilizing and supporting adult family home providers that are impacted by the COVID-19 pandemic and are integral in ensuring Washingtonians have access to safe, community based care settings.

- Adjusting terms for family childcare providers to ensure childcare is available to low-income families, and to reduce economic insecurity amongst providers so that they can remain operational and provide needed support to working families.
- Addressing impacts to the homecare workforce who are asked to provide care in home settings during the pandemic and thereafter.
- Ensuring equal access for non-English speaking clients for Medicaid and social service appointments.

### **Negotiated agreements and interest arbitration awards**

The contractual terms described below are a result of negotiations or interest arbitration between the parties. The costs of each collective bargaining agreement is outlined in the attached financial submittal.

- Service Employees International Union Local 775 (individual providers of home care services)

*The arbitration award includes modest improvements to wages and benefits and certain improvements in the second year of the agreement. Wages are increased approximately 3% over the biennium. Health care contributions are increased 5% each year of the agreement. Beginning July 1, 2022, individual providers will receive credit on the wage scale for verifiable hours worked for a related home care agency and time and one half pay for hours worked on two holidays (Independence Day and New Year's Eve).*

- Service Employees International Union Local 925 (family child care providers)

*The negotiated agreement includes an increase in the hourly rate of care provided by family, friends and neighbors (FFNs) in FY23 from \$2.65 to \$3.00. The agreement maintains the current subsidy rates for licensed providers for FY22 and includes an agreement to bargain over possible adjustments to rates for FY23. To ensure that access to high-quality care is being provided despite socioeconomic status and pandemic impacts, the agreement invests in service quality at level 3.5 of the State's Early Achievers Quality Rating System by increasing the rate paid to providers who reach this level by 2%, bringing the rate to 15% above the base subsidy rate. Lastly, because family childcare providers historically provide the bulk of childcare during non-standard hours, thereby offering families safe and affordable care on nights and weekends, the agreement recognizes this important service by increasing the non-standard hour's rate from \$80.00 to \$90.00 per child per month.*

- Adult Family Home Council (adult family home providers)

*The negotiated agreement includes a 3% increase to the wages and administrative component of the base daily rate Adult Family Home providers receive for CARE classifications A through D beginning July 1, 2021, and a 3% increase in E classifications beginning July 1, 2022. These increases were particularly needed for these providers due to: the fact that Adult Family Homes are congregate settings; the role of these homes in maintaining capacity in the community and facilitating discharge*

*of clients from acute settings; and in light of COVID related cost increases for staffing, cleaning, and procurement of protective equipment. Other terms of the agreement included one-time, 3% increases to the health care and mandatory training components of the rates beginning July 1, 2021.*

- Washington Federation of State Employees (language access providers)  
*The negotiated agreement includes an in-person interpreting rate increase of \$0.12/hour for each fiscal year 2022 fiscal year 2023. Other terms of the agreement include a continuation of the social service mileage premium.*

cc: Pat Lashway, Deputy Director, OFM  
Nona Snell, Assistant Budget Director, OFM  
Roselyn Marcus, Assistant Director, OFM Legal & Legislative Affairs  
Scott Nicholson, Deputy Assistant Director, State HR  
Diane Lutz, Section Chief, State HR

Attachment: Financial Submittal

2021-23 Cost of Interest Arbitration Awards and Tentative Agreements

OFM, State Human Resources Division

	General Fund-State \$		Other Funds \$		Total \$		2021-23
	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	Biennial \$
<b>Non-State Employees RCW 41.56 &amp; RCW 74.39A</b>	<b>20,760,256</b>	<b>48,263,265</b>	<b>24,130,007</b>	<b>53,567,018</b>	<b>44,890,263</b>	<b>101,830,283</b>	<b>146,720,549</b>
<b>Adult Family Home Council</b>	<b>4,992,386</b>	<b>6,421,359</b>	<b>5,483,689</b>	<b>7,302,382</b>	<b>10,476,075</b>	<b>13,723,741</b>	<b>24,199,817</b>
<i>Labor Relations Negotiations</i>							
Base daily rates increase (wages, admin, and room/board components)	4,797,128	6,226,101	5,235,179	7,053,872	10,032,307	13,279,973	23,312,281
Healthcare component	141,334	141,334	179,879	179,879	321,213	321,213	642,426
Training component	53,924	53,924	68,631	68,631	122,555	122,555	245,110
<b>Service Employees International Union, Local 775 for Individual Home Care Workers</b>	<b>14,754,000</b>	<b>36,376,000</b>	<b>18,607,000</b>	<b>46,186,000</b>	<b>33,361,000</b>	<b>82,562,000</b>	<b>115,923,000</b>
<i>Labor Relations Negotiations</i>							
<i>Individual Providers</i>							
Retirement	57,000	80,000	73,000	101,000	130,000	181,000	311,000
Training contribution	134,000	139,000	170,000	177,000	304,000	316,000	620,000
<i>Agency Provider Parity (RCW 74.39Q.310)</i>							
Retirement	15,000	19,000	18,000	25,000	33,000	44,000	77,000
Training contribution	33,000	33,000	42,000	43,000	75,000	76,000	151,000
<i>Interest Arbitration Award</i>							
<i>Individual Providers</i>							
Base wage - general increase	6,191,000	14,047,000	7,880,000	17,877,000	14,071,000	31,924,000	45,995,000
AP experience inclusion	-	2,373,000	-	3,020,000	-	5,393,000	5,393,000
Comprehensive health benefit	4,811,000	10,274,000	6,122,000	13,077,000	10,933,000	23,351,000	34,284,000
Holidays (1.5x wages on 4 holidays)	-	1,632,000	-	2,077,000	-	3,709,000	3,709,000
<i>Agency Provider Parity (RCW 74.39Q.310)</i>							
Base wage - general increase	1,706,000	3,852,000	2,171,000	4,902,000	3,877,000	8,754,000	12,631,000
AP experience inclusion	-	632,000	-	804,000	-	1,436,000	1,436,000
Comprehensive health benefit	1,187,000	2,477,000	1,511,000	3,152,000	2,698,000	5,629,000	8,327,000
Holidays (1.5x wages on 4 holidays)	-	418,000	-	531,000	-	949,000	949,000
<i>Administration and Information Technology</i>							
AP experience inclusion	450,000	400,000	450,000	400,000	900,000	800,000	1,700,000
Holidays (1.5x wages on 4 holidays)	70,000	-	70,000	-	140,000	-	140,000
Retirement (participation hour contribution)	100,000	-	100,000	-	200,000	-	200,000
<b>Service Employees International Union, Local 925 for Family Child Care Providers</b>	<b>984,145</b>	<b>5,406,457</b>			<b>984,145</b>	<b>5,406,457</b>	<b>6,390,603</b>
<i>Labor Relations Negotiations</i>							
Art. 11 FFN: July 1, 2022 rate increase from \$2.65 to \$3.00, representing an 18% increase		4,410,381			-	4,410,381	4,410,381
Increase early achievers tiered reimbursement level 3.5 to 15%	421,005	432,936			421,005	432,936	853,942
Increase the non-standard hours bonus to \$90 per child per month	563,140	563,140			563,140	563,140	1,126,280

	General Fund-State \$		Other Funds \$		Total \$		2021-23
	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	Biennial \$
<b>Washington Federation of State Employees, AFSCME Council 28 – Language Access Providers</b>	<b>29,725</b>	<b>59,449</b>	<b>39,318</b>	<b>78,636</b>	<b>69,043</b>	<b>138,085</b>	<b>207,129</b>
<i>Labor Relations Negotiations</i>							
HCA: \$0.12 rate increase from \$42.20 for FY 2022 (\$42.32) and FY 2023 (\$42.44)	26,355	52,710	36,395	72,790	62,750	125,500	188,251
DCYF: \$0.12 rate increase from \$42.20 for FY 2022 (\$42.32) and FY 2023 (\$42.44)	2,700	5,399	2,700	5,399	5,399	10,798	16,197
DSHS: \$0.12 rate increase from \$42.20 for FY 2022 (\$42.32) and FY 2023 (\$42.44)	670	1,340	223	447	894	1,787	2,681