



STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

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September 30, 2022

Sent via email only

TO: David Schumacher, Director
Office of Financial Management

FROM: Michaela Doelman, Chief Human Resources Officer *MD*
State Human Resources Division

**SUBJECT: OFFICIAL 2023-25 COLLECTIVE BARGAINING SUBMITTAL –
WASHINGTON STATE FERRIES (CHAPTER 47.64 RCW)**

This memorandum serves as the official collective bargaining status report and submittal for the 2023–25 contract period, per chapters 47.64 and 41.80 RCW. Below is summary-level detail about the priorities and outcomes of collective bargaining, including negotiated agreements and agreements reached through interest arbitration awards.

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

Guiding Principles

The agreements summarized in this submittal represent our continued partnership with labor to invest in our state workforce as we emerge from a global pandemic. We prioritized the compensation needs of our employees through increases to assist Washington State Ferries in its efforts to recruit and retain our valued workforce as well as to address pent-up demands due to the lack of increases in the 2021-2023 biennium. Increases were specifically aimed at:

- Achieving operational efficiencies in dispatching fleet employees and implementing a redirect process to ensure daily staffing needs are met and sailings are not missed.
- Providing full-time work for on-call employees. Recruiting new employees locally where terminals are located to reduce the need for employees to travel system-wide. Additionally, providing opportunities for those in marginalized communities to work for WSF.
- Providing promotional opportunities for deck employees to help ensure staffing needs are met now and in the future.

Finally, based on Governor Inslee’s Directive 22-13.1, COVID-19 Vaccination Standards for State Employees, we prioritized the safety of our workforce by establishing a permanent COVID-19 vaccination as a condition of employment and offered incentives for employees who receive COVID-19 boosters.

Health care

The state reached a health care agreement with the Health Care Coalition of Unions to maintain the employer contribution of 85%. Employees will continue to contribute 15% of the premium based on the Employer Medical Contribution (EMC) method.

Eligible enrolled subscribers who register for the SmartHealth Program will continue to have the option to earn an annual \$125 wellness incentive in the form of a reduction in the medical deductible or a deposit into the Health Savings Account upon successful completion of required SmartHealth Program activities.

Employees with a full-time equivalent base salary of \$60,000 or less will continue to receive an annual \$250 payment to a medical flexible spending arrangement. Employees must meet certain criteria to be eligible for the payment.

Negotiated memoranda of understanding, tentative agreements, and interest arbitration awards

The contractual terms described below are a result of negotiations or interest arbitration between the parties. In most 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 agreements and arbitration awards are outlined by collective bargaining agreement in the attached financial submittal.

Washington State Ferries

Agreements have been reached with the following labor unions. Unless specified differently below, negotiated agreements include a general wage increase of 5%, effective July 1, 2023, and 5%, effective July 1, 2024, and a \$1,000 lump sum payment for a COVID-19 booster incentive.

- Ferry Agents, Supervisors, and Project Administrators Association
The negotiated agreement includes holiday pay increase and provision of a clothing allowance for terminal supervisors.
- Inlandboatmen's Union of the Pacific
The interest arbitration award includes a general wage increase of 8%, effective July 1, 2023, and 6%, effective July 1, 2024.
- Marine Engineers' Beneficial Association Licensed Engineer Officers
The negotiated agreement includes a general wage increase of 5%, effective July 1, 2023, and 4%, effective July 1, 2024. An increase to licensure reimbursement and steel toed boot reimbursement. Targeted increase for chief engineer and alternative staff chief engineer classifications and other economic items.
- Marine Engineers' Beneficial Association Unlicensed Engine Room Employees
The negotiated agreement includes a general wage increase of 7%, effective July 1, 2023, and 5%, effective July 1, 2024. A recruitment and retention payment for oilers with their assistant engineer licensure and other economic items.
- Marine Engineers' Beneficial Association Port Engineer Employees
The negotiated agreement includes a general wage increase of 5%, effective July 1, 2023, and 3%, effective July 1, 2024, and an increase to change duty pay.

- International Organization of Masters, Mates & Pilots “Masters”
The negotiated agreement includes a general wage increase of 6%, effective July 1, 2023, and 5%, effective July 1, 2024. Additionally, to prevent inversion and compression between classifications, the parties agreed to a standard percentage spread between classifications.
- International Organization of Masters, Mates & Pilots “Mates”
The negotiated agreement includes a general wage increase of 6%, effective July 1, 2023, and 5%, effective July 1, 2024. Additionally, to prevent inversion and compression between classifications, the parties agreed to a standard percentage spread between classifications.
- International Organization of Masters, Mates & Pilots “Watch Supervisors”
The negotiated agreement includes a general wage increase of 6%, effective July 1, 2023, and 5%, effective July 1, 2024. Additionally, the shift premium is increased, and relief employees’ compensation is enhanced for all compensable hours.
- Puget Sound Metal Trades Council
The interest arbitration award includes a general wage increase of 8%, effective July 1, 2023, and 5%, effective July 1, 2024. The award also contains an increase for shoe reimbursements.
- Office and Professional Employees International Union Local 8
The negotiated agreement includes a modified salary schedule to one year of service for each step, and targeted increases for dispatchers, relief dispatchers and dispatch coordinators.
- Pacific Northwest Regional Council of Carpenters
The negotiated agreement includes an increase to the clothing allowance and safety-toe footwear allowance.
- Service Employees International Union Local 6
The negotiated agreement includes a wage adjustment to maintain alignment with general government classifications and to ensure foreperson differential.

Attachment: Financial Submittal

cc: Emily Beck, Deputy Director, OFM
Nona Snell, Assistant Director, OFM Budget
Roselyn Marcus, Assistant Director, OFM Legal & Legislative Affairs
Kelly Woodward, Deputy Assistant Director, OFM State HR
Diane Lutz, Section Chief, Labor Relations, OFM State HR

2023-25 Cost of Interest Arbitration Awards and Tentative Agreements ^{1,2,3} (October 1, 2022)

OFM, State Human Resources Division

	# of Positions	General Fund-State \$		Other Funds \$		Total \$		2023-25
		FY 2024	FY 2025	FY 2024	FY 2025	FY 2024	FY 2025	Biennial \$
DOT/Washington State Ferries RCW 47.64	1,747	\$0	\$0	\$17,972,773	\$26,522,531	\$17,972,773	\$26,522,531	\$44,495,306
Ferry Agents, Supervisors, Project Administrators Associations	40	\$0	\$0	\$362,591	\$586,583	\$362,591	\$586,583	\$949,173
<i>Labor Relations Negotiations</i>								
General wage increase; 7/1/23 (5.0%) & 7/1/24 (5.0%)		-	-	235,211	482,182	235,211	482,182	717,392
Health care 85% employer / 15% employee (EMC Method)		-	-	60,000	71,520	60,000	71,520	131,520
Increase holiday pay for employees not working on holiday (10 hours)		-	-	9,269	9,269	9,269	9,269	18,538
Provide clothing allowance for Terminal Supervisors (\$500)		-	-	23,612	23,612	23,612	23,612	47,224
Provide lump sum payment; COVID-19 Booster Incentive (\$1,000)		-	-	34,499	-	34,499	-	34,499
Inlandboatmen's Union of the Pacific	912	\$0.00	\$0.00	\$7,812,145	\$11,845,762	\$7,812,145	\$11,845,762	\$19,657,908
<i>Interest Arbitration Award</i>								
General wage increase; 7/1/23 (8.0%) & 7/1/24 (6.0%)		-	-	5,630,851	10,191,841	5,630,851	10,191,841	15,822,693
<i>Labor Relations Negotiations</i>								
Additional \$1.00 per hour paid to employees assigned to train another employee		-	-	9,547	9,547	9,547	9,547	19,094
Annual Industrial clothing reimbursement for Shore Gang (\$130)		-	-	2,990	2,990	2,990	2,990	5,980
Health care 85% employer / 15% employee (EMC Method)		-	-	1,377,000	1,641,384	1,377,000	1,641,384	3,018,384
Provide lump sum payment; COVID-19 Booster Incentive (\$1,000)		-	-	791,757	-	791,757	-	791,757
Intl Organization of Masters, Mates and Pilots – Masters	72	\$0	\$0	\$1,771,761	\$2,514,339	\$1,771,761	\$2,514,339	\$4,286,100
<i>Labor Relations Negotiations</i>								
General wage increase; 7/1/2023 (8%) and 7/1/2024 (6%); Increase job class differential		-	-	1,576,339	2,360,280	1,576,339	2,360,280	3,936,619
Health care 85% employer / 15% employee (EMC Method)		-	-	108,000	128,736	108,000	128,736	236,736
Increase Friday Harbor stipend (5 hours of pay)		-	-	9,098	9,098	9,098	9,098	18,196
Provide lump sum payment; COVID-19 Booster Incentive (\$1,000)		-	-	62,099	-	62,099	-	62,099
Temporary promotion of Relief Mate to Master; receive Relief Master rate of pay		-	-	16,225	16,225	16,225	16,225	32,450
Intl Organization of Masters, Mates and Pilots – Mates	105	\$0	\$0	\$1,722,581	\$2,497,062	\$1,722,581	\$2,497,062	\$4,219,643
<i>Labor Relations Negotiations</i>								
General wage increase; 7/1/2023 (8%) and 7/1/2024 (6%); Increase job class differential		-	-	1,467,783	2,303,447	1,467,783	2,303,447	3,771,230
Health care 85% employer / 15% employee (EMC Method)		-	-	157,500	187,740	157,500	187,740	345,240
Increase Friday Harbor stipend (5 hours of pay)		-	-	5,875	5,875	5,875	5,875	11,750
Provide lump sum payment; COVID-19 Booster Incentive (\$1,000)		-	-	91,423	-	91,423	-	91,423
Temporary promotion of Relief Mate to Master; receive Relief Master rate of pay		-	-	-	-	-	-	-

Costs included within Intl Organization of Masters, Mates and Pilots - Masters

	# of Positions	General Fund-State \$		Other Funds \$		Total \$		2023-25
		FY 2024	FY 2025	FY 2024	FY 2025	FY 2024	FY 2025	Biennial \$
Marine Engineers' Beneficial Association Licensed Engineer Officers	216	\$0	\$0	\$2,420,585	\$3,650,586	\$2,420,585	\$3,650,586	\$6,071,171
<i>Labor Relations Negotiations</i>								
General wage increase; 7/1/23 (5.0%) & 7/1/24 (4.0%)		-	-	1,676,448	3,084,664	1,676,448	3,084,664	4,761,112
Health care 85% employer / 15% employee (EMC Method)		-	-	345,000	411,240	345,000	411,240	756,240
Increase for Chief Engineer and Alternative Staff Chief Engineer 7/1/24 (\$0.65 per hour)		-	-	104,434	104,434	104,434	104,434	208,868
Increase for purchase and/or repair of safety toe footwear (\$225)		-	-	20,230	-	20,230	-	20,230
Increase MEBA health plan contribution for temporary assistant engineers (\$60)		-	-	13,971	13,971	13,971	13,971	27,942
Increase reimbursement for licensure (\$350)		-	-	29,750	-	29,750	-	29,750
Provide lump sum payment; COVID-19 Booster Incentive (\$1,000)		-	-	205,270	-	205,270	-	205,270
Provide reimbursement to get chief engineer license (5 leave days)		-	-	12,631	12,631	12,631	12,631	25,262
Watch turnover increase 7/1/23 (5.0%) & 7/1/24 (variable)		-	-	12,851	23,646	12,851	23,646	36,497
Marine Engineers' Beneficial Association Port Engineers	7	\$0	\$0	\$98,200	\$130,364	\$98,200	\$130,364	\$228,564
<i>Labor Relations Negotiations</i>								
Changes to duty pay (10% of the monthly base wage for a seven day duty week)		-	-	26,212	26,212	26,212	26,212	52,424
General wage increase; 7/1/23 (5.0%) & 7/1/24 (3.0%), Maintenance Analyst Project Engineer 7/1/23 (5.0%) & 7/1/24 (5.0%)		-	-	54,856	91,636	54,856	91,636	146,492
Health care 85% employer / 15% employee (EMC Method)		-	-	10,500	12,516	10,500	12,516	23,016
Increase for purchase and/or repair of safety toe footwear (\$225)		-	-	595	-	595	-	595
Provide lump sum payment; COVID-19 Booster Incentive (\$1,000)		-	-	6,037	-	6,037	-	6,037
Marine Engineers' Beneficial Association Unlicensed Engineer Employees	211	\$0	\$0	\$2,019,404	\$2,741,569	\$2,019,404	\$2,741,569	\$4,760,973
<i>Labor Relations Negotiations</i>								
General wage increase; 7/1/23 (5.0%) & 7/1/24 (5.0%); Market correction 7/1/23 (2.0%)		-	-	1,119,338	1,974,832	1,119,338	1,974,832	3,094,170
Health care 85% employer / 15% employee (EMC Method)		-	-	318,000	379,056	318,000	379,056	697,056
Increase for purchase and/or repair of safety toe footwear (\$225)		-	-	18,105	-	18,105	-	18,105
Provide lump sum payment; COVID-19 Booster Incentive (\$1,000)		-	-	183,708	-	183,708	-	183,708
Recruitment and retention payment for oilers with their Assistant Engineer license or above (10.0%)		-	-	370,533	370,533	370,533	370,533	741,066
Watch turnover increase 7/1/23 (7.0%) & 7/1/24 (5.0%)		-	-	9,720	17,148	9,720	17,148	26,868
Pacific NW Regional Council of Carpenters	21	\$0	\$0	\$143,718	\$226,338	\$143,718	\$226,338	\$370,056
<i>Interest Arbitration Award</i>								
General wage increase; 7/1/23 (5.0%) & 7/1/24 (5.0%)		-	-	91,376	187,320	91,376	187,320	278,696
<i>Labor Relations Negotiations</i>								
Health care 85% employer / 15% employee (EMC Method)		-	-	31,500	37,548	31,500	37,548	69,048
Increase industrial clothing allowance		-	-	1,470	1,470	1,470	1,470	2,940
Increase safety-toe footwear allowance		-	-	1,260	-	1,260	-	1,260
Provide lump sum payment; COVID-19 Booster Incentive (\$1,000)		-	-	18,112	-	18,112	-	18,112

	# of Positions	General Fund-State \$		Other Funds \$		Total \$		2023-25
		FY 2024	FY 2025	FY 2024	FY 2025	FY 2024	FY 2025	Biennial \$
Puget Sound Metal Trades Council	81	\$0	\$0	\$752,303	\$1,078,275	\$752,303	\$1,078,275	\$1,830,579
<i>Interest Arbitration Award</i>								
General wage increase; 7/1/23 (8.0%) & 7/1/24 (5.0%)		-	-	557,282	933,447	557,282	933,447	1,490,730
Increase safety-toe footwear allowance		-	-	3,660	-	3,660	-	3,660
<i>Labor Relations Negotiations</i>								
Health care 85% employer / 15% employee (EMC Method)		-	-	121,500	144,828	121,500	144,828	266,328
Provide lump sum payment; COVID-19 Booster Incentive (\$1,000)		-	-	69,861	-	69,861	-	69,861
Service Employees International Union Local 6	6	\$0	\$0	\$48,850	\$62,405	\$48,850	\$62,405	\$111,255
<i>Labor Relations Negotiations</i>								
General wage increase; 7/1/23 (5.0%) & 7/1/24 (5.0%)		-	-	16,160	33,195	16,160	33,195	49,355
Health care 85% employer / 15% employee (EMC Method)		-	-	9,000	10,728	9,000	10,728	19,728
Provide lump sum payment; COVID-19 Booster Incentive (\$1,000)		-	-	5,175	-	5,175	-	5,175
Wage adjustment for alignment with general government; Maintain job class differential with Foreperson		-	-	18,515	18,482	18,515	18,482	36,997
Intl Organization of Masters, Mates and Pilots – Watch Center Supervisors	14	\$0	\$0	\$155,056	\$236,054	\$155,056	\$236,054	\$391,110
<i>Labor Relations Negotiations</i>								
Labor Relations Negotiations								
General wage increase; 7/1/23 (6.0%) & 7/1/24 (5.0%)		-	-	100,802	189,843	100,802	189,843	290,645
Health care 85% employer / 15% employee (EMC Method)		-	-	21,000	25,032	21,000	25,032	46,032
Increase hourly shift premium (\$2.50)		-	-	20,405	20,405	20,405	20,405	40,810
Increase pay premium for reliefs for all compensable hours (4%)		-	-	774	774	774	774	1,548
Provide lump sum payment; COVID-19 Booster Incentive (\$1,000)		-	-	12,075	-	12,075	-	12,075
Office of Professional Employees International Union Local 8	62	\$0	\$0	\$665,579	\$953,194	\$665,579	\$953,194	\$1,618,774
<i>Labor Relations Negotiations</i>								
Change increment for all steps to one year		-	-	169,563	190,378	169,563	190,378	359,941
General wage increase; 7/1/23 (5.0%) & 7/1/24 (5.0%)		-	-	283,785	585,849	283,785	585,849	869,634
Health care 85% employer / 15% employee (EMC Method)		-	-	94,500	112,644	94,500	112,644	207,144
One Range Increase 7/1/23 (Dispatcher, Relief Dispatcher, Dispatch Coordinator and Bid Administrator)		-	-	63,395	64,323	63,395	64,323	127,719
Provide lump sum payment; COVID-19 Booster Incentive (\$1,000)		-	-	54,336	-	54,336	-	54,336

1 Pension Assumptions Source: Office of the State Actuary, 2021-23 Expected Employer Contribution Rates, Adopted July 2022
PERS Plans 1, 2, & 3: 10.39%
PSERS: 10.63%

2 Social Security and Medicare Source: IRS Publication 15 (2018), Circular E, Employer's Tax Guide
The employer contribution in 2020 is 6.2% for Social Security and 1.45% for Medicare. We assume no change to these percentages in the 2023-25 biennium.

3 The employer contribution for Washington Family Medical Leave Program in 2022 is a combined 0.16%. We assume no change to this percentage in the 2023-25 biennium.